

*Welfare regime and familialism in East Asia: testing the hypothesis of low-fertility equilibrium in Hong Kong.*

A thesis presented

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### **Declaration of Originality**

This thesis contains no material which has been accepted for a degree or diploma by the University or any other institution, except by way of background information and duly acknowledged in the thesis, and to the best of my knowledge and belief no material previously published or written by another person except where due acknowledgement is made in the text of the thesis, nor does the thesis contain any material that infringes copyright.

A handwritten signature in black ink, appearing to read 'Adrian Lui', is positioned above a solid horizontal line.

**Wing Shek Adrian Lui**

**25 March 2015**

## **Abstract**

This project aims to locate East Asian advanced economies in existing welfare regime frameworks according to how their social care responsibilities are distributed among state, market and family. Based on this analysis, the project attempts to explain the socio-economic outcomes based on this welfare regime analysis, focusing on Esping-Andersen's hypothesis of 'low fertility equilibrium' which explains low levels of both female labour market participation and fertility levels in familial welfare regimes.

Using Hong Kong as a case study of East Asian welfare regimes, this thesis conducts a comparative analysis to determine whether Hong Kong can be characterised as a familial welfare regime based on the allocation of caring responsibilities across the market, state and household. The thesis examines trends in fertility levels, female labour force participation rates and degree of gender equality in the labour market to answer these questions. It will also identify factors affecting labour force participation and fertility decisions of married women in Hong Kong based on data from the 2011 Hong Kong Population Census to assess whether the hypothesis of 'low fertility equilibrium' provides a valid explanation for female labour force participation and fertility rates in Hong Kong. Our findings suggest that Hong Kong can be classified as a familial welfare regime, although familialism is an outcome of residualism, rather than conservatism, as suggested in Esping-Andersen's theoretical framework. The findings also support the hypothesis of 'low fertility equilibrium'. This suggests that Hong Kong will need to develop more extensive defamilialisation mechanisms in order to increase both female labour force participation and fertility levels.

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## **Chapter One – Introduction**

How can we characterise the nature of social welfare in East Asia? How are responsibilities for social security and social care distributed among state, market and family in East Asia? These are the key questions of with which this project is concerned. This project aims to locate East Asian advanced economies in existing welfare regime theoretical frameworks according to how their social care responsibilities are organised. Based on this analysis, the project attempts to explain the socio-economic outcomes, namely levels of fertility and female labour force participation, based on the welfare regimes adopted by these East Asian advanced economies. East Asian advanced economies all have a low level of fertility but a medium level of female labour force participation. This appears to be an anomaly from the perspective of welfare regime theory. This analysis will try to make sense of this puzzle in order to understand if the low level of fertility is the outcome of the welfare regimes adopted by these East Asia economies.

Existing welfare regime typologies are distinguished on two dimensions of social welfare. The first dimension is based on how social security is organised, to whom entitlements are granted and how it is organised between state and market. This analysis results in three welfare regime typologies, known as the liberal, conservative and social democratic welfare regimes (Esping-Andersen 1990). The second dimension is based on how social care is distributed among the state, family and market. This results in two welfare regime typologies, familial and non-familial welfare regimes (Esping-Andersen 1999). These two dimensions are often correlated; with conservative regimes tending to also fall into the category of the familial regime; and liberal and social democratic regimes falling into the non-familial regime category, as the market or the state helps to unburden social care responsibilities from the family.

How do East Asian nations fit into these welfare regime typologies? Existing studies argue that East Asian welfare regimes are ‘productivist’ in nature. The ‘East Asian welfare regime’

is characterised by a number of features. Social policy is subordinated to economic growth, with a strong reliance on the private sphere, especially the family, in social welfare production (Holliday 2000; Gough 2004; Kwon 2005; Aspalter 2006). While there is consensus that East Asian countries can be broadly described as ‘familialistic’ (Ochiai 2009; Chan et al. 2011), they are at the same time, pro-market. This differs markedly from familial welfare regimes in Continental and Southern Europe, where familism is allied with conservatism to protect existing social arrangements from the forces of the market (Esping-Andersen: 1990; 1999). This makes East Asian welfare regimes difficult to locate within existing welfare regime typologies. Do we need a different way, therefore, to conceptualise East Asian familism within the theoretical framework of welfare regime analysis? Ochiai (2008) suggested that we may use the concept, ‘liberal-familism’, to describe East Asian welfare regime. However, what is the nature of liberal-familism in East Asia? Does it demonstrate defamilialisation for middle and upper classes only, as Esping-Andersen observed in his analysis of liberal non-familial welfare states (1999: 55-57), resulting in an incomplete defamilialisation (which may be referred to as the hypothesis of incomplete defamilialisation)? This is the first question that this thesis aims to address.

Locating East Asian welfare regimes can help us to make use of the analytical tool of welfare regime analysis to understand structural consequences of different social policy approaches. Relevantly for this thesis, Esping-Andersen’s analysis of familism (1999), suggests that the familial welfare regime is unable to adjust to transformations in female labour market participation – an increasing number of women who participate in the labour market in a career oriented mode, rather than stay at home as full-time home-makers or work as secondary workers whose main duties remain as domestic and caring workers at home. The lack of defamilialisation from the state or the market in these regimes leads to a ‘low fertility equilibrium’ - a low level of both female labour participation and fertility levels in these countries. If East Asian welfare regimes are familial regimes, then the hypothesis of ‘low fertility equilibrium’ can also be a possible explanation of the low fertility levels in East

Asian advanced economies - a result that has significant policy implications. Can the hypothesis of 'low fertility equilibrium' be applied in East Asia? Or alternatively, does the hypothesis of 'incomplete defamilialisation', which describes a regime which defamilialises for middle and upper classes only, a more valid explanation in the problem of fertility in East Asia? This is the second question that this thesis aims to address.

This thesis aims to address these questions using Hong Kong as a case study of East Asian welfare regimes. Hong Kong has been chosen as the case study because of an apparently widespread use of marketised social care through the extensive use of foreign domestic workers, according to existing literature (Chan et al. 2011). This makes Hong Kong an appropriate case to explore the peculiar nature of East Asian familialism. To answer the first question, this thesis will use empirical measurements derived from existing welfare regime frameworks to assess whether Hong Kong, as a case study of East Asian welfare regimes, can be characterised as familial based on the allocation of caring responsibilities across the spheres of market, state and household within Hong Kong. To answer the second question, this thesis will compare Hong Kong with other nations representing different welfare regime configurations, in relation to trends in fertility levels, female labour force participation rates and degree of gender equality in the labour market. It will also identify factors affecting labour force participation and fertility decisions of married women in Hong Kong based on the data from the 2011 Population Census. Through these empirical assessments, this thesis attempts to determine whether the hypothesis of 'low fertility equilibrium', derived from Esping-Andersen's analysis on familialism, provides a valid explanation for the level of female labour force participation and fertility rates in Hong Kong.

This thesis is divided into three main chapters. Chapter Two will discuss the theoretical foundation of this thesis: the theory of welfare regime analysis developed by Esping-Andersen (1990; 1999). This includes his early works on decommodification (1990) and his later works on defamilialisation (1999; 2009) and how these two aspects of welfare regimes

are incorporated into an integrated comparative analytical framework. This chapter will then discuss how existing empirical studies on social care arrangements and the relationship between familialism, female labour force participation and fertility in the East-Asia region can be used to inform welfare regime analysis. The discussion aims to highlight the existing gaps in the literature for the key research question: the applicability of welfare regime analysis to East Asia and the explanatory power of the hypothesis of ‘low fertility equilibrium’ derived from welfare regime analysis. This chapter provides the conceptual foundation for the analytical approach used in subsequent chapters.

Chapter Three discusses the methodology adopted in this thesis. A detailed discussion of methodological issues, especially how we measure key concepts such as defamilialisation and transformation of female labour market participation will be included in this chapter. This includes a discussion of the empirical indicators that will be used to measure the level of defamilialisation in welfare regimes, the indicators that will be used to measure the degree of transformation in female labour market participation, a more detailed discussion for the selection of Hong Kong as the case study for our investigation and what data sources and variables will be used to test the hypothesis of ‘low fertility equilibrium’. This chapter operationalises the theoretical concepts used and therefore, links them with the empirical data analysis in Chapter Four.

Chapter Four presents the empirical analysis of this thesis and discusses the significance of these findings. The findings aim to address the key problems that are raised in Chapter Two. This chapter therefore assesses whether Hong Kong can be considered a familial welfare regime by assessing the level of defamilialisation via the spheres of state, market and households; and trends in fertility and female labour force participation, when compared with other familial and non-familial welfare regimes. The chapter also assesses if the hypothesis of ‘low fertility equilibrium’ can be applied to explain the low fertility levels evident within Hong Kong. This includes an assessment of whether Hong Kong has experienced a



transformation of female labour market participation and whether women in Hong Kong face an economic trade-off between career and childbirth.

The former objectives will be achieved by comparing the degree in which women's participation in labour markets constitute a career and the degree of gender equality within the labour market in Hong Kong, as compared to the United States, a country whose development is used in seminal studies (Goldin; 2006; Esping-Andersen 2009) to illustrate the transformation of female labour market participation in post-industrial societies. The second objective will be achieved by conducting an inferential test on factors affecting labour force participation and fertility decisions of married women of Hong Kong. This analysis aims to examine whether a trade-off between having a career and having a family is experienced by women in Hong Kong and the effectiveness of existing defamilialisation mechanisms offered through the sphere of the market, in the form of hiring foreign domestic workers, in resolving this trade-off. The impacts of other factors including socio-economic backgrounds and the presence of dependent members, including older people and children, will also be examined in this analysis. This analysis will help us to gain insights on potential policy prescriptions in tackling the issue of low fertility in Hong Kong.

The research findings aim to contribute to the debate on whether welfare regime analysis, developed predominately from western countries, can be applied to the East Asian region. Using the analytical tool of welfare regime analysis, the findings will also contribute to our understanding of the structural consequences of different social policy approaches. In particular, the two key subjects of inquiry, levels of fertility and female labour market participation, are also key issues for policymakers in dealing with the problem of sustainability in societies experiencing aging of their population and a shrinking tax base. The findings, therefore, will help to inform policymakers to make better policy decision in handling these important problems.

While this thesis aims to apply an integrated welfare regime analysis to East Asia using Hong Kong as a case study, the primary focus of this thesis is on the axis of defamilialisation in welfare regime analysis based on the later work of Esping-Andersen (1999). Other dimensions of welfare regimes, including the degree of decommodification, social security provisions and the impact of welfare regime arrangements on labour market inequality, are beyond the scope of the empirical analysis of this thesis. This focus allows the thesis to emphasise the problem of familialism in East Asia and its potential consequence of ‘low-fertility equilibrium’. The problem of decommodification and social security in East Asia, while an important one for welfare regime analysis, will be reserved as a subject for potential future investigation.

## **Chapter Two: The theoretical problem of familialism and welfare regimes in East Asia**

### **Introduction**

Since the release of Esping-Andersen's seminal work (1990) on the three welfare regime typologies in capitalist economies, there has been theoretical debates on how to characterise welfare regimes in East Asia. Many studies focus on the low public expenditures on social security within these nation states and argue for the 'productivist' or 'developmental' nature of East Asian welfare states (Holliday 2000; Gough 2004; Kwon 2005; Aspalter 2006). While these studies all stress the importance of family in taking responsibility and risk in delivering social welfare in East Asia, the concept of family welfare is normally underdeveloped and treated only as part of the private sphere together with the 'individual' in these analyses (Holliday 2000; Gough 2004; Kwon 2005; Aspalter 2006). This theoretical focus on the role of family in social welfare mirrors Esping-Andersen's early work on welfare regime typologies (1990), which was developed based on a particular function of the welfare state, of income maintenance and social security.

As a response to overlooking the role of the family in social welfare in his earlier work, Esping-Andersen introduced the concept of familialism in his later works (1999; 2009) to integrate aspects of family welfare production into his welfare regime analysis. These works, however, were more often cited to inform debates regarding the nature of caring regimes in East Asia in relation to the delivery and financing of social care among state, market, family and community (Ochiai 2009; Chan et al. 2011). From these developments, we see two dimensions of the problem emerge, that of the nature of social security (centred on income maintenance) and the nature of social care provision (centred on the distribution of care among state, market and family) in East Asia. This chapter is an attempt to integrate these two debates into a single theoretical framework as these two aspects of social welfare, i.e. social security (centred on income maintenance) and social care (centred on the distribution of care),

together form a coherent dimension of welfare regimes in the production and distribution of social welfare.

This chapter is divided in two sections. The first section summarises the theoretical framework of welfare regime typologies by Esping-Andersen, from his early works on decommodification (1990) to his later works on defamilialisation (1999; 2009). This critical summary is important for the subject matter of this thesis as the theoretical focus on decommodification and social security in the welfare regime debate in East Asia is a reflection of the theoretical focus of Esping-Andersen's early work on welfare regimes (1990). Therefore, criticisms of his early theoretical model and Esping-Andersen's own response, which attempts to integrate the axes of decommodification and defamilialisation (1999), are important for the task of replicating this theoretical integration for the analysis of East Asian welfare regimes. Esping-Andersen's argument on the different patterns of female labour force participation and fertility under familial and non-familial welfare regimes; and how the transformation in female participation in labour markets contributes to this difference will also be addressed in this section.

The second section will discuss the role of the family in social welfare production through examining works on East Asian welfare regimes and studies on social care arrangements in East Asia. The concept of liberal-familialism will be derived from these literatures as a possible characterisation of the East Asian welfare regime. In addition, this section will discuss the relationship between familialism, female labour force participation and fertility in East Asia, which seems to contradict the analysis of Esping-Andersen. The concept of liberal-familialism and the unique pattern of female labour force participation and fertility in East Asia will form the key research questions that will be empirically examined and analysed in Chapter Four.

## **Section 1: Welfare regimes: decommodification, defamilialisation and ‘low-fertility disequilibrium’ in post-industrial societies**

### *Welfare regimes: from decommodification to defamilialisation*

Modern western welfare states, according to Esping-Andersen, began to develop between the 1930s and 1960s’, as an effort to reconfigure the social contract between government and citizenry. This involved a redefinition of certain risks from being a private matter to a collective and social responsibility (Esping Andersen 1999: 33). The greatest social risk at that time was mass unemployment and loss of income, following the disastrous experience of the Great Depression. The post-war welfare state, therefore, focused heavily on the strategy of income maintenance and job protection for men against the risks associated with retirement, unemployment and sickness. Pension, unemployment and sickness insurance were developed to mitigate these risks for workers.

The equivalent sociological concept for this is decommodification, which measures the degree to which the welfare state weakens the cash nexus by granting entitlement to social goods independent of market participation (Esping-Andersen 1999: 43). Esping-Andersen’s (1990) early work on welfare regimes reflects such an emphasis. On this basis, Esping-Andersen distinguished three welfare regime typologies – the liberal, conservative and social democratic regimes - distinguished from each other by the different strategies they have adopted to decommodify citizens. The liberal regime adopts a residual approach by targeting those who are unable to satisfy their needs through labour market participation, the conservative regime develops social insurance which links entitlement with occupational hierarchy, while the social democratic regime delivers universal benefits equally to all citizens.

Such early focus overlooked family as a producer of welfare. As a result, Esping-Andersen’s early classification of welfare regimes (1990) has been a subject of criticism, especially from feminist analysts. For example, Orloff (1993) argued that his focus on state-market

relationships ignored that tremendous amounts of welfare, such as caring for children, for the aged and domestic housework, is provided by women in the private household without pay, rather than through state, market or voluntary non-profit organisation. O'Connor (1993) argued that the concept of decommodification does not take into account the fact that women's limited access to labour market participation is often due to the burden of caring responsibility at home. Lewis (1997) proposed to develop a new regime classification based on the degree to which policies are applied to reinforce the ideology of the male breadwinner (Daly and Rake 2003: 28-29). Himmelweit (1995) argued for a feminist economics to transcend the dichotomy of 'work' and 'non-work' so as to analyse the value of unpaid caring and domestic duties. McLaughlin and Glendinning (1994) and Leitner (2003) argued for the use of defamilialisation rather than decommodification to measure 'the extent of reduction to which the satisfaction of individual care needs is dependent on the individual relation to the family'. This concept aims to capture the issue of achieving both economic and social independence for women from family and caring relationships (Kröger 2011).

As a response to these criticisms, Esping-Andersen incorporated the concept of defamilialisation in welfare regime analysis in his later works (1999). While agreeing on the importance of the dimension of defamilialisation as an integral axis of welfare regimes, he used defamilialisation in a more restrictive way to measure the degree to which households' welfare and caring responsibilities are relaxed either via welfare provision or market provision (Esping-Andersen: 1999: 51). Defamilialisation therefore serves as an analytical tool for economic analysis of the effect of welfare arrangements on female labour force participation and fertility rate (Esping-Andersen 1999: 48-50; 2009: 14-15).

#### *Familialism and the 'low-fertility equilibrium'*

For Esping-Andersen, the institutionalised model of the sole-earner nuclear family with a gendered division of labour, a model that was presumed to be an economically efficient model by economists such as Gary Becker (1981), became problematic under the massive

change in family structure associated with the post-industrial society. Under the 'second demographic revolution', the sole-earner nuclear family is declining. Cohabitation and single person households are growing and children today are more likely to grow up with parents who both work, or within single parent families (Esping-Andersen 1999: 49). The transformation in female labour market participation appears, in which an increasing number of women perceive their lifetime labour force involvement as continuous rather than intermittent and brief (Goldin: 2006; Esping-Andersen 2009). The result is an increase in labour participation for married women, especially those with children under the age of six (Esping-Andersen 2009: 21) and an increase in gender equality in the labour market, evidenced in the increase in educational attainment for women, reduction in the earning differential between men and women and the increase in the number of management and professional roles held by women (Goldin 2006). With the decline of the role of the traditional full-time house-wife, caring duties for dependent members such as children and the aged, traditionally the duties of a full-time housewife, are becoming problematic. The axis of defamilialisation in the welfare regime, therefore, measures to what extent welfare provisions seek to unburden this family obligation of social care as a response to these new social conditions.

Esping-Andersen (1999: 55-72) measures the degree of defamilialisation in welfare regimes through the three spheres that constitutes a welfare regime: the welfare state, market and household. The welfare state and market are potential spheres that can absorb caring responsibilities and social risk from the family. Therefore, the measurement of defamilialisation from these two dimensions focuses on the effectiveness of these spheres to unburden caring responsibilities and social risks from the family. Conversely, if both welfare state and market mechanisms are unable to do so, these responsibilities are likely to fall back to the household. The axis of defamilialisation can therefore be measured through the household indirectly by measuring the consequences or indicators in which the family still assumes a high degree of these responsibilities. A non-familial welfare regime is one that

seeks to unburden the household and diminish individual welfare dependence on kinship. A familial welfare regime, conversely, provides little support for families regarding social care, whether in the form of cash (such as family allowances) or services (such as childcare or aged care), as caring is assumed to be the duty of families (Esping-Andersen 1999: 51).

The axis of defamilialisation correlates with Esping-Andersen's three typologies of welfare regimes based on decommodification, i.e. liberal, conservative and social democratic regimes. Conservative regimes, including what he described as familial-conservative regimes in Southern Europe and Japan, have the lowest degree of de-familialisation. Among them, Southern European countries and Japan demonstrate particularly strong familism. This partly relates to the structural mechanism of linking welfare entitlement to occupational hierarchy and is partly a result of the political influence of Catholic and/or Confucian ideology that has significant influence on the design of policy, which results in passive and undeveloped family policy that assumes familial care to be the norm (Esping-Andersen 1999: 51). Liberal and social democratic regimes are both non-familial regimes, albeit using different strategies. Liberal regimes favour the market to deliver privatised child and aged care, with some welfare states providing family subsidy through cash allowance or tax deductions. Social democratic regimes defamilialise through state provision of low cost childcare services (Esping-Andersen 1999: 47-94).

For Esping-Andersen, familistic policy is counter-productive to family formation. Highly familistic regimes, such as Italy and Spain, have some of the lowest fertility levels in the world, while highly defamilistic welfare regimes, such as the Scandinavian countries, are among those nations with the highest fertility rates in Europe (Esping-Andersen 1999:67). Liberal regime nations, which favour market solutions, are only able to defamilialise for the



middle and upper class through low-cost marketised social care<sup>1</sup> (Esping-Andersen 1999: 55-57, 63-43; 2009: 107-110).

Esping-Andersen (1999) explained this paradoxical effect of familialism by an economic trade-off between fertility and female careers. The relationship between female employment level and fertility rates was negative in the 1960s, but this relation has turned into a positive one more recently (Esping-Andersen 1999: 67-69). In the past, the relative lack of decent opportunities for women, especially married women, in the labour market, together with the labour required for childcare and domestic duties at homes pushed women into full-time domestic work. However, with increasing female educational achievement, increasing labour market opportunities for women and more women demanding economic independence and permanent integration in working life, the trade-off that once pushed women into full-time domestic work is more likely to result in a reduction in the number of children or not having children at all today (Esping-Andersen 1999: 68-69). The impact of familialism on fertility rates, therefore, can only be understood in the context of the transformation in women's participation in the labour market (Goldin 2006; Esping-Andersen). Non-familial welfare regimes recognise the change under this transformation and support the reconciliation of motherhood and career to reduce such a trade-off. Familial welfare regimes continue to assume social care, including childcare and aged care, to be a familial obligation, resulting in a lower rate of both fertility and female labour force participation. This phenomenon is described by Esping-Andersen (2009: 167-174) as the 'low-fertility equilibrium'. The

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<sup>1</sup> While a market-based defamilialisation tends to defamilialise for middle and upper-middle class only, it does not mean that labour market participation is higher among women in middle and upper-middle class only. This is due to the fact that the transformation of female labour market participation is in unequal process, with women in upper and upper-middle classes tends to participate in the labour market in a career-oriented mode, which increases the demand for privatised childcare. The jobs created by this market, however, are often low-skill with limited opportunity for career development

t. This job creation does not constitute the process of female labour market participation, by rather a by-product of it. It nevertheless increases female labour market participation. The United States, often perceived as an exemplar case of liberal regime, is particularly strong in this development because of the strict approach in workfare policy. For a discussion of the issue of class in relation to familialism and female labour force participation, please refer to Esping-Andersen (2009).

hypothesis of ‘low fertility equilibrium’ will be one of the key hypotheses that will be tested in this thesis<sup>2</sup>.

### **Conclusion to this section**

In summary, Esping-Andersen argues that familialism is counter-productive to family formation, leading to “low fertility equilibrium’ as familial welfare regimes fail to assist women to reconcile motherhood and career establishment and development. Familial welfare regimes, therefore, also have a low level of female employment.

The question that is central to the analysis for this project is: to what extent does this apply to East Asia given the conditions of compressed economic development in East Asian welfare states? In the following section, the role of the family in social care arrangements and welfare regimes in East Asia will be discussed. The section will also address how the relationship between female labour force participation and fertility rates is problematised by liberal-familialism and the development of ‘compressed modernity in East Asia. The discussion will be related back to the theoretical framework of Esping-Andersen, in order to examine theoretical gaps in applying this framework to East Asia and how the research in this thesis may address this gap.

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<sup>2</sup> While familial welfare production becomes an integral part of Esping-Andersen’s modified framework of welfare regime analysis, his concept of defamilialisation focuses narrowly on the ability to enable participation of women in the labour market by freeing them from family caring responsibilities. His modified framework, therefore, continues to be the subject of some criticisms, especially on its limited analysis of gendered difference in family policies. For example, Daly and Rake (2003: 90-91) argued that the focus on work and reconciliation conflates family and gender, ignoring possible inequality and conflicts of interest within the family and women’s right to limit their engagement in unpaid informal care within the household (Lewis 1997). While this thesis acknowledges these limits of Esping-Andersen’s theoretical framework of defamilialisation (1999), his measurement of defamilialisation remains a powerful tool for the aim of this investigation, specifically to investigate familialism and the relation between female labour force participation and fertility levels in East Asia. The objective of this research, to integrate current welfare regime analysis with studies on social arrangements in East Asia, also means that Esping-Andersen’s integrated framework of welfare regime analysis is the most appropriate tool for this task. While a more comprehensive evaluation of the gendered consequences of East Asian family policies is an important topic in its own right, this issue should be the subject of a separate investigation. Therefore, despite the limits, this research will be based mainly on Esping-Andersen’s theoretical framework.

## **Section 2: Familialism and welfare regimes in East Asia**

This section will address theoretical gaps in applying Esping-Andersen's welfare regime typology, especially the structural linkage between familial and conservative welfare regimes, when examining the empirical realities of East Asia. As discussed in the previous section, for Esping-Andersen, there is an affinity between familialism and conservative regimes.

Conservative regimes are also familial regimes, as they tend to support a male breadwinner model directly by linking social welfare entitlement with participation in the formal labour market and indirectly through a lack of family oriented support from the state or market.

Liberal and social democratic regimes are non-familial regimes as they use state or market mechanisms to defamilialise caring responsibilities (Esping-Andersen 1999: 86). To assess the applicability of Esping-Andersen's theoretical framework, two questions need to be answered. Firstly, can East Asian welfare regimes be characterised as familial based on their allocation of caring responsibilities across the spheres of market, state and household?

Secondly, can we identify the same pattern of low fertility equilibrium in East Asia?

Contrary to Esping-Andersen's thesis, the positive relationship between female labour force participation and fertility does not seem to appear in East Asia. Fertility levels in East Asian advanced economies, including Hong Kong, South Korea, Singapore, and Japan have declined to some of the lowest in the world in recent decades<sup>3</sup>. According to Esping-Andersen's theoretical framework, these welfare regimes should be closely aligned with familial-conservative welfare regimes. Female labour force participation, as a result, should be low in these economies. However, female labour force participation in some of these nations was at a higher level than most countries in Western Europe and North America in 1970s. Since then, it has been either increasing gradually or remains steady (as in the case of Japan) at a level similar to conservative regimes in Continental Europe and higher than

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<sup>3</sup> The fertility rates of Taiwan, Hong Kong, South Korea, Singapore and Japan are 1.03 (2009), 1.06 (2008), 1.19 (2008), 1.28 (2008) and 1.37 (2008) respectively. This means that countries with the highest fertility rates in 2008, i.e. Singapore and Japan, are at the equivalent level of the lowest rates among western countries, i.e. Italy and Spain, while the lowest group of countries, i.e. Taiwan, Hong Kong and South Korea are among the lowest in the world (Ochiai 2011: 219-222).

familial regimes in Southern Europe<sup>4</sup>. This means that an investigation will be required for the possible explanation of this contrasting pattern. How do we explain this puzzle that runs counter to Esping-Andersen's predictions?

This section reviews the existing literature in relation to these two questions regarding the application of the concept of the familial welfare regime to East Asia. The first part of this section provides a brief discussion of the role of family in the literatures on welfare regime and social care arrangements in East Asia. The problem of varieties of familialism in East Asia will also be discussed in relation to the measurement of defamilialisation in Esping-Andersen's theoretical framework. The second part of this section discusses female labour force participation and fertility rates in East Asia, particularly discussing those factors that influence these two components separately. As suggested in the previous section, compressed development will be explored to investigate the pattern of female labour force participation in East Asian welfare states. This review will serve to establish a possible alternative theoretical framework that may be used to explain the separation of conservative and familial welfare dimensions in East Asia and establish some propositions that we will empirically examine in Chapter Four.

#### *Welfare regimes and the role of familial welfare production in East Asia*

Early works on welfare regimes in East Asia, as per the early work of Esping-Andersen (1990), focus on models of social security, paying relatively little attention to the distinctive role of the family in the system of social welfare production. For example, in his argument for a distinctive productivist welfare regime in East Asia, Holliday (2000) described state-market

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<sup>4</sup> The level of female labour force participation in Japan was higher than most of the countries in Western Europe and North America in 1970. The level has risen markedly for countries in Western Europe and North America since then, while growth in female labour market participation in Japan has been significantly smaller, leading to a reversal in position between Japan and many western countries in recent decades (Ochiai 2014: 210). The female labour force participation rate for Japan was above 50% in 1970 and for Hong Kong, it was 43% in 1971 (Mak and Chung 1997: 18). The United States reached above 40% only in the mid-1960s and above 50% in the early 1980s (Ochiai 2008: 9). A more detailed comparison of the trends of female labour market participation and fertility level between Hong Kong and other welfare regimes will be conducted in Chapter Four.

family relationships in East Asia as a relationship premised on ‘overriding growth objectives’ (p.709). He further distinguished three models of state-market-family relationships, with Hong Kong prioritising the market, South Korea and Taiwan using the state to support market and family through gradual extensions of health and pension coverage in their social insurance schemes, and Singapore directing the social welfare activities of the family through a mandatory saving scheme known as the Central Provident Fund (CPF)(p.710). In all of these classifications, family remains equivalent to a generalised notion of the private sphere combining both the functions of social security and social care provision, against the spheres of the state and market.

Aspalter (2006) developed a similar argument as Holliday in his argument for a distinctive East Asian Model of welfare while attempting to stress the importance of family. In his characterisation of East Asian conservative welfare regimes, he argued that social policy focuses strongly on the family but weakly on the individual (p. 299). However, how social policy prioritises family over the individual in East Asia is not discussed. On the contrary, he argued that ‘the East Asian model is designed at heart to facilitate, and not hamper, welfare provision by the market and the family. But while the market and the family are permitted to play a vital role in overall welfare provision, the government still regards welfare regulation and provision as a duty of a state’ (p.298). Again, the family seems to be conceptualised as a homogenous ‘productive’ private sphere against the state and market.

The distinctive role of family in social care production in the welfare mix is more extensively explored in research on the arrangements of social care in East Asia. For example, Ochiai (2009) used the concept of the care diamond to analyse the balance of social care responsibility (including childcare and aged care) among state, market, family and relatives and community. For childcare, family and relatives remain the most significant sector in providing childcare in East Asia. With the exception of Japan, foreign domestic workers also

play a significant role as a market option in providing childcare and aged care in Singapore and Taiwan, and to a much lesser extent in South Korea.

Regarding aged care, adult children continue to play the most significant role in providing care to their parents. However, foreign domestic workers again play a significant role as a marketised option for aged care, apart from Japan. In all these countries, institutions and facilities for aged care and childcare are underdeveloped as public services are limited and private provision remains expensive for the majority of citizens. Only limited exceptions are evident to this more general pattern. This includes childcare in Singapore, in which the state sees childcare, together with foreign domestic workers, as important instruments to boost female labour force participation; and aged care in Japan, in which the problem of the ageing population has been and remains a policy focus of the country. As a result, Japan implemented Long-Term Care Insurance (LTCI) which has incorporated aged care services, including both home-based and institutional care, into the social insurance scheme. This led to a significant expansion of the aged care sector, mainly run by private companies, in recent years (Soma and Yamashita 2011). Consequently Ochiai (2009) describes Japan as the pure familial welfare regime, while other East Asian countries, including South Korea, Singapore and Taiwan, are characterised as familial welfare regimes with liberal elements, given the significant role foreign domestic workers have in providing a marketised option for social care. Similar findings were found by Chan et al (2011), who observed that family plays the most prominent role in both provision and financing of childcare and aged care. The market also plays a relatively significant role in the provision of social care, especially the use of foreign domestic workers as a marketised option in Hong Kong, Taiwan and South Korea.

To illustrate the marketised response in many East Asian nation states, and the importance of foreign domestic workers as evidence of this marketised strategy, it is estimated that 14-15% of households in Singapore hired foreign domestic workers in 2007 (Kayoko 2008) and about 7.9% of households did so in Hong Kong in 2006 (Cortes and Pan 2013). The market for

foreign domestic workers involves active state intervention through immigration policy, which determines how widespread this option is (Ochiai 2009; Kayoko 2008). Agreements between importing and exporting countries also drive this market. Governments of exporting countries often see it as a means to secure the inflow of remittances to cope with domestic unemployment and foreign debts (Sassen 2000). Domestic worker migration thus forms a significant part of the broader intra-Asian migration flow in the region. East Asian advanced economies, such as Japan, Hong Kong, Singapore, South Korea and Taiwan, are often the destinations for migrant workers from less developed neighbouring countries such as the Philippines, Indonesia and Vietnam (Yamanaka and Piper 2005). For Hong Kong and Singapore, the high proportion of households that employ foreign domestic workers indicates that this strategy constitutes a significant means to defamilialise social care.

Both Ochiai (2009) and Chan et al. (2011) indicate that the family plays the primary role for caring within the welfare mix despite the high level of defamilialisation via market mechanisms. Defamilialisation via the market does not seem to be able to unburden familial care entirely. The findings of both studies suggest that these welfare regimes are more adequately described as familial welfare regimes than non-familial welfare regimes. This is further supported by the low level of fertility within all five East Asian advanced economies, in which some studies suggest that familialism is a factor driving low fertility rates (Chang 2010; Sun 2010; Ochiai 2011). However, apart from Japan, other East Asian advanced economies, also are characterised by an expansion of the market in assuming some responsibility for the provision of caring (Ochiai 2009; Chan et al. 2011). Therefore, contrary to the structural link between familialism and conservative welfare regimes in Esping-Andersen's study (1999), East Asian welfare regimes (except Japan) may possibly be described, using Ochiai's (2009) terminology, as liberal-familialism, which are characterised by a continuing heavy burden on families in care provision despite relatively strong market support.

Liberal-familialism in East Asia creates a new problem for Esping-Andersen's theoretical framework regarding the measurement of familialism. In his framework, familialism can be measured by the strength of defamilialisation through the state and market, and the strength of familialism as indicated by households absorbing the responsibilities and risk associated with social care. However, what is the nature of liberal-familialism in East Asia? Does it demonstrate defamilialisation for middle and upper classes only, as Esping-Andersen observed in his analysis of liberal non-familial welfare states (1999: 55-57), resulting in an incomplete defamilialisation (which may be referred to as the hypothesis of incomplete defamilialisation)?

The key question that this thesis addresses is: can the hypothesis of incomplete defamilialisation derived from liberal-familialism serve as a plausible explanation for the empirical realities in East Asia? Thus, Hong Kong, in which marketised social care is more widespread through the extensive use of foreign domestic workers, will be chosen as a case study for evaluating the validity of applying liberal-familialism to describe East Asian welfare regimes.

#### *Familialism, female labour force participation and fertility rates in East Asia*

The second problem associated with the familial welfare regime is the consequences of familialism identified by Esping-Andersen: that of the relationship between female labour force participation and fertility rates. As stated previously, a low level in both female labour force participation and fertility is a consequence of familialism, according to Esping-Andersen (1999). This, however, does not fit the patterns observed in East Asian nation-states. An investigation of factors that may affect these two variables separately may help us to understand the cause for this contradictory pattern in East Asia.

In the investigation of female labour force participation in East Asia, the hypothesis of incomplete defamilialisation can also be tested to see if it provides a possible explanation for



this pattern. However, as previously discussed, female labour force participation can only be understood in the context of the decline of the full-time home-maker role and the increase in the proportion of women who participate in the labour market in a career-oriented mode (Esping-Andersen 2009).

The chronological development of women's participation in the labour market with the advancement of economic development, however, is problematic in the context of East Asia. As theorists of 'compressed modernity' have argued (Whittaker et al. 2007; Chang 2010; Ochiai 2011), the pace of socio-economic development in East Asia has developed in a compressed manner compared to European advanced economies and the United States. Concepts developed from the staged, sequential, orderly development process based on the western model may be blurred, or even irrelevant. Social relations and values commonly associated with agricultural or early industrial societies can overlap with late or post-industrial ones, leading to a juxtaposition of 'pre-modern', 'modern' and 'hyper-modern' attitudes and institutions (Arnason 1997; Whittaker et al. 2007: p.1-2; 8-9). When comparing trends within Japan, the United States and European nations from 1900 to 1995, the female labour force participation rate of the United States and European countries started at around 20 percent and rose gradually and continuously. Japan, on the contrary, maintained a high female labour force participation rate, above 40 percent throughout this period. This leads Ochiai to argue that the encouragement for married women to engage in full-time domestic work for the family during industrialisation; and the encouragement of women to participate in the labour market with the emergence of individualisation as an aspect of post-industrial societies, appeared at nearly the same time, thus cancelling each other out (Ochiai 2008: 6-9; Ochiai 2014). In Hong Kong, Singapore and Taiwan, labour market participation of women was common during industrialisation, mainly as manufacturing workers in light industry (Salaff 1992). This happened at the same time as the expansion of public education, resulting in an increase in women's educational attainment – a development that favours the transformation in female labour market participation (Mak and Chung 1997).

Compressed development in East Asia points to a need to re-evaluate the extent of transformation in female labour market participation. In our investigation on the impact of familialism on female labour force participation in East Asia, the transformation in female participation in labour markets in Hong Kong will be assessed together with the hypothesis of incomplete defamilialisation, as an aspect of liberal familialism, as possible factors in explaining patterns of female labour force participation in East Asia.

In summary, the concept of liberal-familialism integrates questions regarding social care arrangements in East Asia with welfare regime analysis. The hypothesis of incomplete defamilialisation, derived from this concept of liberal-familialism, will be used to test if it is a possible explanation for the pattern of female labour force participation and fertility rates evident in Hong Kong. The experience of ‘compressed modernity’ in East Asia, suggests however that the development of female participation in the labour market and associated transformations in gender roles may follow a different route compared to western nations, which may problematise the relationship between female labour force participation and fertility rates in the region. ‘Compressed modernity’, therefore, may provide an alternative explanation for the level of female labour force participation, and hence a possible explanation for different varieties of familialism that affects fertility levels in East Asia. These hypotheses will be tested in Chapter Four of this thesis.

## **Conclusion to Chapter Two**

This chapter has discussed Esping-Andersen’s welfare regime framework, based on the axes of decommodification and defamilialisation, and his analysis of the impact of familialism on female labour force participation and fertility levels (Esping-Andersen 1999). It has also addressed why this theoretical model is problematic when applied to East Asia, when analysing female labour force participation and fertility levels in East Asia. A modified concept of liberal-familialism and a different trajectory of female labour market transformation in East Asia have been proposed as possible explanations for these

developments in East Asia. Hypotheses have also been derived in order to conduct empirical assessments of this explanatory framework. In the next chapter, we will discuss the methodological issues for operationalising the empirical tests conducted in this thesis.

## **Chapter Three – Methodology**

### **Introduction**

This chapter will address the methodological issues associated with the empirical analysis used in this thesis. The discussion in Chapter Two indicated that both family and market play an important role in the arrangements of social care. This possibility of liberal-familialism is seldom addressed in Esping-Andersen's theoretical framework (1999), which linked familialism with the logic of the conservative welfare regime. The characteristics of low female labour force participation and fertility levels in familial welfare regimes is also problematised by compressed development in East Asia. Therefore, the key empirical questions this thesis aims to address are:

- How can we characterise East Asian welfare regimes, given the arrangements for social care which prevail in East Asian welfare states?
- Can the hypothesis of 'low fertility equilibrium' explain the low level of fertility in Hong Kong?

According to Esping-Andersen's thesis, the 'low fertility equilibrium' is a result of the inability of the state or market to unburden welfare responsibility from families. Nations which can be characterised as within the familial welfare regime, fail to support the transformation of female labour market participation that characterises post-industrial societies. The result is a strong economic trade-off between fertility and female careers, which leads some women to reduce the number of children they have or even forgo having children (Esping-Andersen 1999: 68-69). Familial welfare regime welfare states, therefore, tend to have a low level of both female labour force participation and fertility. Can this argument regarding 'low fertility equilibrium' apply to East Asia?

Our consideration of theories of 'compressed modernity' suggests that we need to take into account 'time compression' in the process of modernisation in East Asia. Developments that

favour the transformation in female labour market participation, such as the emergence of individualisation and expansion of public education, happened in the same period as industrialisation, which absorbed a large amount of female workers for the export-led, light manufacturing industry. The nature of welfare regimes, patterns of female labour force participation and fertility rates in the context of East Asia, therefore, need to be re-examined against Esping-Andersen's existing theoretical framework. With the need to address all these phenomena and concepts in our statistical analysis, a detailed discussion of methodological issues, especially how we measure key complex concepts such as defamilialisation and transformation of female labour market participation will be required before we can conduct our empirical analysis. This chapter addresses these issues.

The chapter is divided into two sections. The first section will discuss the conceptual framework and the related empirical indicators that are used in this thesis. The definitions of key concepts; defamilialisation and transformation of female labour market participation, their measurement and usage in this thesis; will be discussed. The second section will discuss the methodology used in this paper. This includes the reasons for choosing Hong Kong as a case study of East Asian welfare regimes in this thesis, the methodological issues that arise in testing Esping-Andersen's hypothesis on the effects of defamilialisation, the hypotheses of 'low-fertility equilibrium' and the alternative hypothesis of incomplete defamilialisation, as applied to the case of Hong Kong. This section will also discuss the data sources used to conduct the empirical analysis for this thesis.

## **Section 1: Conceptual framework**

The key concepts that are used for the empirical analysis in this thesis are defamilialisation and transformation of female labour market participation. As discussed in Chapter Two, defamilialisation is a concept that is used to measure the degree to which a welfare regime unburdens families from caring responsibilities. It is a key factor in affecting patterns of female labour force participation and fertility levels within Esping-Andersen's (1999) theoretical framework. The transformation of female labour market participation is a concept used to explain the influence of defamilialisation on female labour force participation and fertility levels. Therefore, it is a condition that determines the effectiveness of defamilialisation.

Defamilialisation and the transformation of female labour market participation are complex and multi-faceted concepts. There is no single, direct empirical indicator that is able to fully capture the complexity of each concept. Therefore, each concept warrants a detailed conceptual discussion and the diverse and often indirect empirical indicators that are used to operationalise them. Because of the multi-faceted nature of both concepts, direct comparison across countries is extremely difficult. In the following section, we will discuss the definitional and measurement issues associated with each concept.

### *Measuring defamilialisation in East Asia*

Esping-Andersen (1999: 55-72) measures the degree of defamilialisation in welfare regimes through the three spheres that constitute a welfare regime: the welfare state, the market and the household. The measurement of defamilialisation focuses on the effectiveness of these spheres to unburden caring responsibilities and social risks from the family. If both welfare state and market mechanisms are unable to do so, these responsibilities are likely to fall back to the family. The axis of defamilialisation can therefore be measured through the household indirectly by measuring the consequences or indicators in which the family still assumes a high degree of these responsibilities.

The measurement of defamilialisation comprises a number of indicators that relate to both the state and the market. These are detailed below.

**De-familialisation in the sphere of welfare state** can be directly measured by the expense and coverage of family support from the state. The more the state provides support to families, the more it can absorb social risks from families. The state can do this either through providing cash to resource families to better absorb risks themselves, or via service provision to directly absorb risk. Esping-Andersen operationalises defamilialisation via the state through three measures:

- the percentage of non-health family service expenditure as a percentage of GDP,
- service provision coverage as the percentage of children under the age of 3 using public day care centre
- service provision coverage as the percentage of people aged over 65 receiving home-help services (Esping-Anderson 1999:61).

In all cases, the more the welfare state is committed to family assistance, (whether through expenses, services), the higher the degree of defamilialisation in the sphere of the welfare state.

**Defamilialisation in the market sphere** can be measured through the effectiveness of the market in providing alternatives that absorb familial welfare responsibility. This can be measured by coverage and cost. Higher coverage means more people use the market as an alternative, and hence the higher the degree of defamilialisation. Conversely, the lower the cost the more affordable it is for families to use this alternative, hence, promoting a higher degree of defamilialisation<sup>5</sup> (Esping-Anderson 1999: 64). Measurement of the degree of

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<sup>5</sup> High level of defamilialisation in the market sphere can also be a result of low level of defamilialisation in the sphere of welfare state, which may also mean a low level of decommmodification. However, the focus of this thesis is the relationship of state and market with the family, not between each other. Therefore, the relationship between defamilialisation and decommmodification in the sphere of the welfare state will not be included in this investigation.

defamilialisation in the market sphere can be operationalised by measuring the percentage of privatised market care as a percentage of total care provision. The higher the percentage of privatised service, the higher the degree of defamilialisation. Additionally, it can also be operationalised by measuring the cost of private childcare as a percentage of average family income. The lower the service cost, the higher the degree of defamilialisation. Unfortunately, comparable information on the price of private welfare services on aged and childcare is very limited. The only available data that could be used by Esping-Andersen (1999) is the availability and accessibility of day care centres for children under 3-years of age, as an indicator of defamilialisation. However, given the importance of foreign domestic workers in providing childcare and aged care in Hong Kong, the use of foreign domestic workers will be included in our analysis as the main source of defamilialisation through the market.

**Defamilialisation in the sphere of the household:** As stated previously, defamilialisation in the sphere of the household can only be measured indirectly through the degree of caring or domestic responsibilities absorbed by households. This can be measured through the weekly unpaid hours of domestic work provided by women, or the conditions and consequences that indirectly indicate that the family is likely to be the provider of social care. This is indicated by living arrangements in which aged parents<sup>6</sup> are living with children (an arrangement that favours family care provision to dependent members).

The measurement of weekly unpaid hours provided by women on domestic work can be obtained through time use studies that allow the measurement of unpaid work including routine housework and child care (Craig 2006: 68). Time use surveys for different countries, however, vary in quality and often use different collection methods and coding. This creates limitations for direct comparison of data from different countries (Craig 2006: 70).

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<sup>6</sup> The aged parents mean that at least one parent is 65 years old or above (based on Esping-Andersen 1999).



The living arrangement of having aged parents living with children indicates the importance of familial care, often in the form of intergenerational transfer of time resource, in familial welfare regimes (Albertini et al: 2007: 322). This indicator, however, is unable to measure the actual amount of care received by family members through such arrangements. Given the difficulty of obtaining available data for measuring family welfare production, this indicator can be used as a rough indicator for comparative purposes (Esping-Anderson 1999: 62-63).

Therefore, two measures of defamilialisation in the sphere of the household will be used, the degree of caring or domestic responsibilities absorbed by households (operationalised by measuring weekly unpaid hours provided by women), and conditions that indirectly indicate that the family is likely to be the provider of social care (operationalised by measuring the percentage of aged parents living with children). For all indicators, the higher the extent of welfare responsibility absorbed by the family, the lower the degree of defamilialisation in the sphere of household.

A conceptual framework and empirical indicators summarising this discussion, and used in this thesis to compare the degree of defamilialisation in Hong Kong with other welfare regimes, is presented in Table 1.

**Table 1: Conceptual framework for defamilialisation**

Concept: Defamilialisation Sphere	Definition	Sources:	Empirical Indicators
Welfare state	The extent the welfare state absorbs the family care burden, in cash or in kind. The higher the commitment to family assistance from the welfare state, the higher the degree of defamilialisation in the sphere of the welfare state.	Esping-Anderson (1999. p.61)	Indicator 1: Non-health family service expenditure as a percentage of GDP  Indicator 2: Percentage of children under the age of 3 using public day care centre  Indicator 3: Percentage of people aged 65 or over receiving public home-help services
Market	The coverage and cost of market alternative provision of care. The higher the coverage, the higher the degree of defamilialisation. While the lower the cost, the higher the degree of defamilialisation in the market sphere.	Esping-Anderson (1999. p.63-64)	Indicator 1: Cost of childcare as a percentage of average family income  Indicator 2: The percentage of privatised market care as a percentage of total care provision.
Household	The extent of welfare responsibility carried out by family. The higher the extent of welfare responsibility carried out by the family, the lower the degree of defamilialisation in the sphere of the household.	Esping-Anderson (1999. p.62-63)	Indicator 1: Weekly unpaid hours of domestic work undertaken by women  Indicator 2: Percentage of aged parents living with adult children

*Measuring the transformation of female labour market participation*

In Esping-Andersen's thesis (1999; 2009), a smooth transformation of female labour market participation requires that the state and/or market unburden welfare responsibility from the family. A high degree of this transformation, therefore, is a consequence as well as an indication of a high degree of defamilialisation. As discussed in Chapter Two, the transformation of female labour market participation is not simply a measurement of female labour force participation, as female labour force participation is high among young and unmarried women in industrial societies. A better indicator, therefore, is the labour force

participation of married women, especially women with children under the age of six (Goldin 2006; Esping-Andersen 2009). Labour participation rate alone, however, is not entirely sufficient as this includes secondary workers who have intermittent and brief employment in various jobs, rather than a career (Goldin 2006). Other indicators, therefore, need to be added to measure the degree of the transformation of female labour market participation. This includes the percentage of women employed full time; male-female ratio of university and college degrees (Esping-Andersen 2009) and the male-female ratio of professional and managerial occupations (Goldin 2006).

The transformation of female labour market participation, therefore, is measured in two dimensions: labour force participation for married women with children and relative gender equality within the labour market. A high participation rate or high degree of gender equality indicates a high degree of female labour market participation. A conceptual framework of concepts and indicators measuring transformation of female labour market participation, and which are used in this thesis, are summarised Table 2:

**Table 2 Measurement of the degree of transformation of female labour market participation**

Concept	Definition	Theoretical Sources:	Empirical Indicators
Degree of transformation of female labour market participation	Consists of indicators that indirectly measure the degree in which women's participation in labour markets also constitute a career. Indicators 1 to 3 involve the degree of labour force participation of married women. The higher the participation rate, the higher the degree of transformation of female labour market participation. Indicators 4 to 6 measure the degree of gender equality within the labour market. The more equal, the higher the degree of transformation of female labour market participation.	Goldin (2006); Esping-Anderson (2009)	<p>Indicator 1: Labour force participation rate of married women.</p> <p>Indicator 2: Labour force participation rate of married women with children under the age of 6</p> <p>Indicator 3: The percentage of women employed full time</p> <p>Indicator 4: Male-female ratio of College/University degrees</p> <p>Indicator 5: Women's earnings as a percentage of men's</p> <p>Indicator 6: Male-female ratio- persons in managerial and professional roles</p>

## **Section 2: Method of inquiry**

To limit the scope of this study, only Hong Kong has been chosen as a case study for empirical investigation. Hong Kong has been selected because of the prominent use of foreign domestic workers as a market alternative to family self-servicing for domestic duties and childcare, within Hong Kong. The significance of this practice makes Hong Kong a particularly important example of liberal-familialism, with both the market and the household as important spheres in the provision of social care. This allows us to test a hypothesis derived from liberal-familialism, the hypothesis of incomplete defamilialisation, and other possible factors that affect female labour participation and fertility levels in the specific context of East Asia.

The empirical inquiry of this thesis is divided into two parts. The first part evaluates the extent defamilialisation and the transformation of female labour market participation can be applied to Hong Kong. To do so, the empirical indicators that have been identified as indicators of defamilialisation in the spheres of state, market and household will be used for a multi-national comparative analysis. The objective of this part is to locate Hong Kong within Esping-Andersen's (1999) theoretical framework.

The second part of the inquiry consists of two empirical tests aiming to test if Esping-Andersen's analysis on defamilialisation, the hypothesis of 'low-fertility equilibrium' and be applied to East Asia. The alternative hypothesis of 'incomplete defamilialisation' will also be tested. Each hypothesis will be elaborated in the following discussion on the independent and dependent invariables. Before the discussion, it is important to note that Esping-Andersen's work provides a cross-country comparison. The unit of analysis of his thesis, therefore, is the nation. Our research focuses on what happens within a society. The unit of analysis, therefore, is the individual. The hypothesis, therefore, needs to be reframed to reflect such changes. Our empirical analysis will look at two questions: 1) what factors affect whether women have

children or not; and 2) what factors affect whether married women participate in the labour market or not?

In the first test, the dependent variable will be whether a married woman (under the age of 55, excluding students) has children or not. The independent variables include: 1) the presence of live-in foreign domestic workers (as a form of defamilialisation through the sphere of market); 2) the presence of older people over the age of 65 at home (as an indication of welfare responsibility being absorbed by the household); 3) participation in the workforce (as a measurement of the economic trade-off between career and childbirth); 4) educational attainment (as a measurement of career opportunity in labour market); and 5) domestic household income (as a measurement of socio-economic status). If Esping-Andersen's hypothesis on defamilialisation is correct, there will be a positive statistical association between having children and having a foreign domestic worker in the household, and a negative statistical association between having children and having older people over the age of 65 at home. These relationships confirm that defamilialisation increases the likelihood of having children, while strong familialism decreases it. If the hypothesis of 'low fertility equilibrium' is correct, there will be a negative statistical association between having children and labour market participation, indicating an economic trade-off between career and childbirth for women in Hong Kong. Conversely, if the hypothesis of incomplete defamilialisation is correct, there will be a positive statistical association between class-related variables (including educational attainment and domestic household income) and having children. In this test, the dependent variable will be divided into three categories: having two or more children, one child, or no children at all. A multi-nominal logistic regression will be applied to test the relationship between the independent variables and the likelihood of a woman having two or more children, one child, or no child at all.

In the second test, factors that affect whether married women participate in the labour market or not will be analysed. The dependent variable will be whether a married woman participates

in the labour market or not. The independent variables include: 1) the presence of live-in foreign domestic workers; 2) the presence of older people over the age of 65 at home; 3) the number of children under the age of 15 at home; 4) educational attainment; and 5) domestic household income. Again, if Esping-Andersen's hypothesis on familism is correct, the statistical relationship between married women's participation in the labour force and having a foreign domestic worker in household should be positive, while its relationship with having older people or children in the household should be negative. Conversely, if the hypothesis of incomplete defamilialisation is correct, there will be a positive statistical association between married women's participation in the labour market and class-related variables (educational attainment and domestic household income). In this test, the dependent variable will be divided into two categories, participation in labour market, or non-participation in labour market. A binary logistic regression will be applied to test the relationship between the independent variables and the likelihood of a woman participating in labour market or not.

#### *Data Sources*

The empirical indicators of defamilialisation and the transformation of female labour market participation are indirect and diverse. This makes direct comparison extremely difficult. This research will attempt to present the most suitable available data from existing sources for comparative purposes. Three main primary data sources are used for this analysis of Hong Kong. Official data from the Census and Statistics Department and Social Welfare departments from the government of Hong Kong will be used. Thirdly, the East Asian Database Project (EADP 2008-2013) which is a database set up by scholars who work in the field of comparative East Asian social policy studies, will be used. Additionally a fourth source of data will be used. Data on other welfare regimes will be used to compare with Hong Kong. This data is taken from published data, in particular the work of Esping-Andersen (1999).

Data from the population census will be used for the empirical enquiry relating to what factors explain whether women have children or not and whether married women participate in the labour market or not. For Hong Kong, a 1% sample of the 2011 Population Census for Hong Kong will be used<sup>7</sup>. The data will be used for inferential analysis to test whether the hypotheses of ‘low-fertility equilibrium’ and incomplete defamilialisation can be applied to Hong Kong.

## **Conclusion**

This chapter has discussed the methodological issues for this thesis. The methods and data sources that will be used for hypothesis testing have also been discussed. Among them, measurements for key concepts including defamilialisation and transformation of female labour market participation have been explained. Based on the conceptual framework and methods discussed in this chapter, the next chapter will proceed with the empirical investigation of the problem of defamilialisation in Hong Kong.

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<sup>7</sup> The data is obtained with the permission of the Census and Statistics Department of the government of Hong Kong Special Administration Region (HKSAR).



## **Chapter Four: Familialism, transformation in female labour market participation and 'low fertility equilibrium' in Hong Kong**

### **Introduction**

This section will analyse if the hypothesis of 'low fertility equilibrium' as outlined in Chapter 3 provides an appropriate explanation for low fertility rates in Hong Kong. The hypothesis of 'low fertility equilibrium' is based on two conditions. Firstly, that the welfare regime is a familialistic one, with little support to unburden families of their caring responsibility by either the state or market. Secondly, there must be evidence of a transformation in female labour market participation which makes full-time domestic work a less common option. This chapter will examine if Hong Kong fulfils these conditions. If 'low fertility equilibrium' characterises Hong Kong, a rethink in the current defamilialisation strategy will be required to tackle the problem of low fertility in Hong Kong.

This Chapter is divided into four main sections. The first section evaluates if Hong Kong can be considered a familial welfare regime by comparing the degree of defamilialisation in the spheres of the welfare state, market and households with the degree of defamilialisation evident in other familial and non-familial welfare regimes. This section will discuss if foreign domestic workers, often regarded as a commonly used form of marketised social care provision in Hong Kong, can be considered as an effective form of defamilialisation.

The second section will discuss if transformation of female labour market participation has occurred in Hong Kong by comparing Hong Kong with the United States, a country whose development is used by Goldin (2006) and Esping-Andersen (2009) to illustrate the transformation of female labour market participation in post-industrial societies.

The third section will analyse data from the 2011 Population Census of Hong Kong to examine if the hypothesis of 'low fertility equilibrium' can be used to explain the low fertility rate of Hong Kong, and if so, whether existing processes of defamilialisation possess any

potential to increase fertility rates and female labour force participation in Hong Kong for the future. The fourth section will situate these findings within recent policy developments that have occurred in Hong Kong. The policy implications of these findings for Hong Kong will be discussed within the conceptual framework of familism, transformations in female labour market participation and the hypothesis of 'low fertility equilibrium'.

## **Section 1: Welfare regimes and defamilialisation in Hong Kong**

Hong Kong is often regarded as an archetype of free economy and minimal state, a place described by Milton Friedman as the controlled experiment to prove the success of market economy (Friedman 1998). The minimal state description is an accurate description in the early colonial age. Hong Kong became a British Colony in 1841. The colonial government, in the early stage, adopted the approach of a minimal state, which prefers to intervene into economic and social matters only when it is necessary, mainly to protect the profit of privileged of British merchant (Tang 1999: 27-31), or as a crisis intervention, as in the case of squatter resettlement. The policy changed little until 1967. Inspired by the Cultural Revolution in mainland China, an industrial dispute in May 1967 quickly erupted into a full-fledged anti-colonial riot initiated by pro-communist labour union, the Federation of Trade Unions. With escalating violence and the fear of military intervention from Communist China, the British colonial government at one stage considered evacuation from the colony. It was only after the British government in London was convinced that the mainland Chinese government would not intervene, the colonial government began suppressing the riot, and eventually restored the order (Yep 2008). The riot, however, exposed the limit of the minimal state's approach in developing social integration and political support for the colonial rule.

After the riot in 1966-67, the colonial government began to develop a series of social programs in period of 1968 -1977 (Tang 1999: 31). This is often referred to as a 'big-bang' period of social policy development. The social program introduced includes the social assistance (in the form of cash payment) to the poor, elderly and disabled, the financing of voluntary agencies to provide social services, the provision of free and compulsory education to students up to fifteen years old and the significant expansion of public housing and health care services (Lee, 2005: 120).

The program established during this period has become a basic framework of social policy in Hong Kong. One of the key characteristics is that extensive social intervention applies only in

fields that are outside, or supportive of, the existing operation of labour market, e.g. health, education, housing. The welfare provision, thus, subsidises, rather than competes with wage level (Castells 1999). For social policy that may compete with wage level, such as cash assistance to the poor, the principle of residualism applies. This characteristic mirrors the economic policy. Hong Kong is the only East Asian tiger economy that does not pursue active industrial policy. The economic growth during its post-war take-off period was entirely based on small businesses and a low wage, labour-intensive manufacturing industry, in which the large influx of refugees from mainland China formed the basis of a largely unlimited supply of cheap labour (Chiu and Lui 1998; Castells 1999).

Along with the expansion of social programs, the colonial government maintained a strict guideline in which public expenditure has to be kept below 20% of GDP applied (Lee 2005: 122). This golden rule serves as a check for any expansion of social services and limits social spending within the framework. Starting from the 1980s, the United Kingdom and China entered in the process of negotiating the transfer of sovereignty over Hong Kong back to China. The Hong Kong people were left out of the process of negotiation, while the Chinese government embraced this golden rule as an example of financial prudence. Often, the Chinese representative complained about the gradual increase in social spending, even though the increase has never exceeded the level set by this golden rule (Tang 1999: 42). During the whole transition period, there is little new initiative in social policy, although there is some incremental increase in social spending due to increasing social need (Tang 1999: 34-38). Under this background, the welfare state of Hong Kong is often residualistic. This principle of residualism means that the Hong Kong government hesitates to use active state intervention to boost fertility and female labour force participation. However, it perceives female labour force participation as a desirable goal that can prevent welfare dependencies. It means that the familism that is embedded in the institutional welfare arrangement in Continental and Southern Europe (often in the form of social insurance) does not exist in Hong Kong.

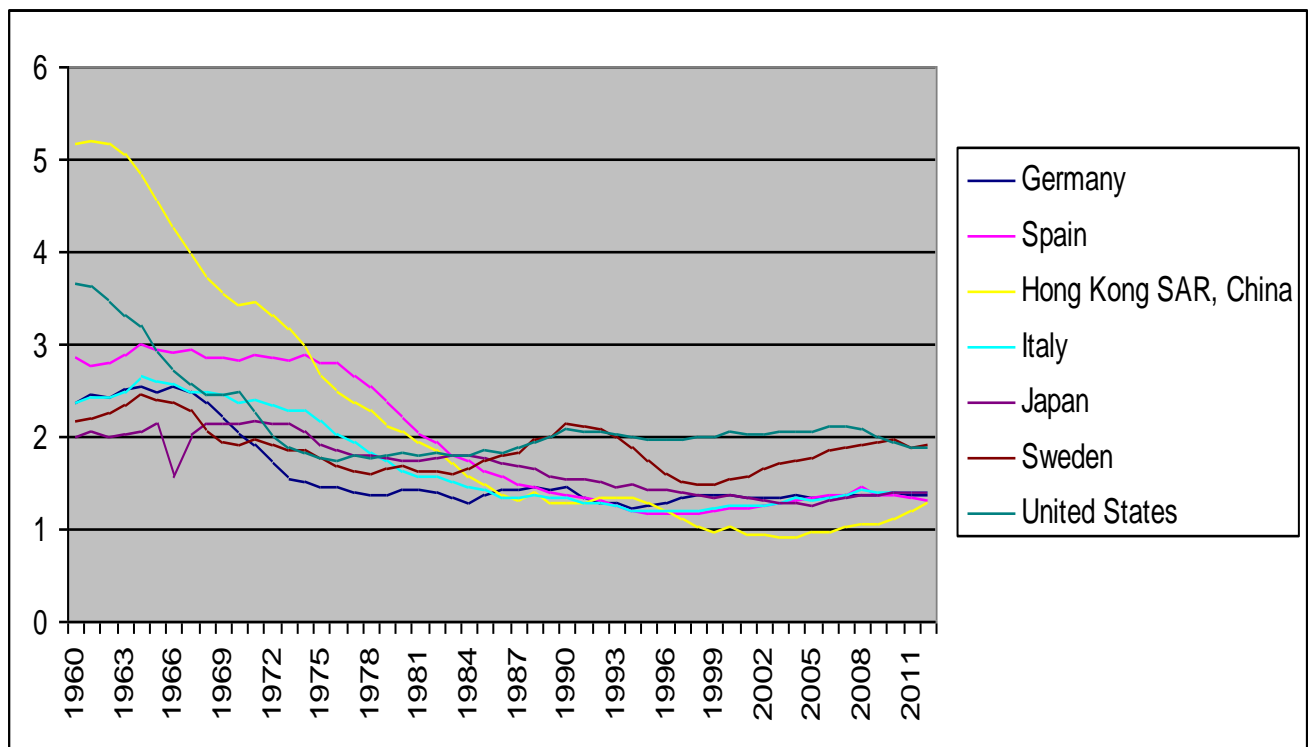
One of the key puzzles in determining whether Hong Kong is a familial welfare state is its pattern of fertility and rate of female labour force participation. Figure 1 shows the trends in total fertility rates in Hong Kong and other selected welfare regimes, including countries considered exemplars of a liberal regime (the United States), a social democratic regime (Sweden), a conservative regime (Germany) and three examples of familial welfare regimes, including two countries from Southern Europe (Spain and Italy) and one country from East Asia (Japan).

As Figure 1 shows, the total fertility rate (TFR) of Hong Kong has been declining since 1960. It fell below the liberal United States, social democratic Sweden as well as Japan in the early 1980s, and below the conservative regime example, Germany, and the two familialist regimes, Spain and Italy, in the 1990s. The fertility rate of Hong Kong has remained below all the selected countries since then<sup>8</sup>. From the fertility rate alone, Hong Kong resembles a familial welfare regime rather than a non-familial welfare regime.

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<sup>8</sup> Although there has been a gradual increase since the 2000s, moving it closer to low-fertility familialist nations like Germany, Italy, Japan and Spain, Hong Kong continues to have the lowest fertility rate, compared with all other nations.

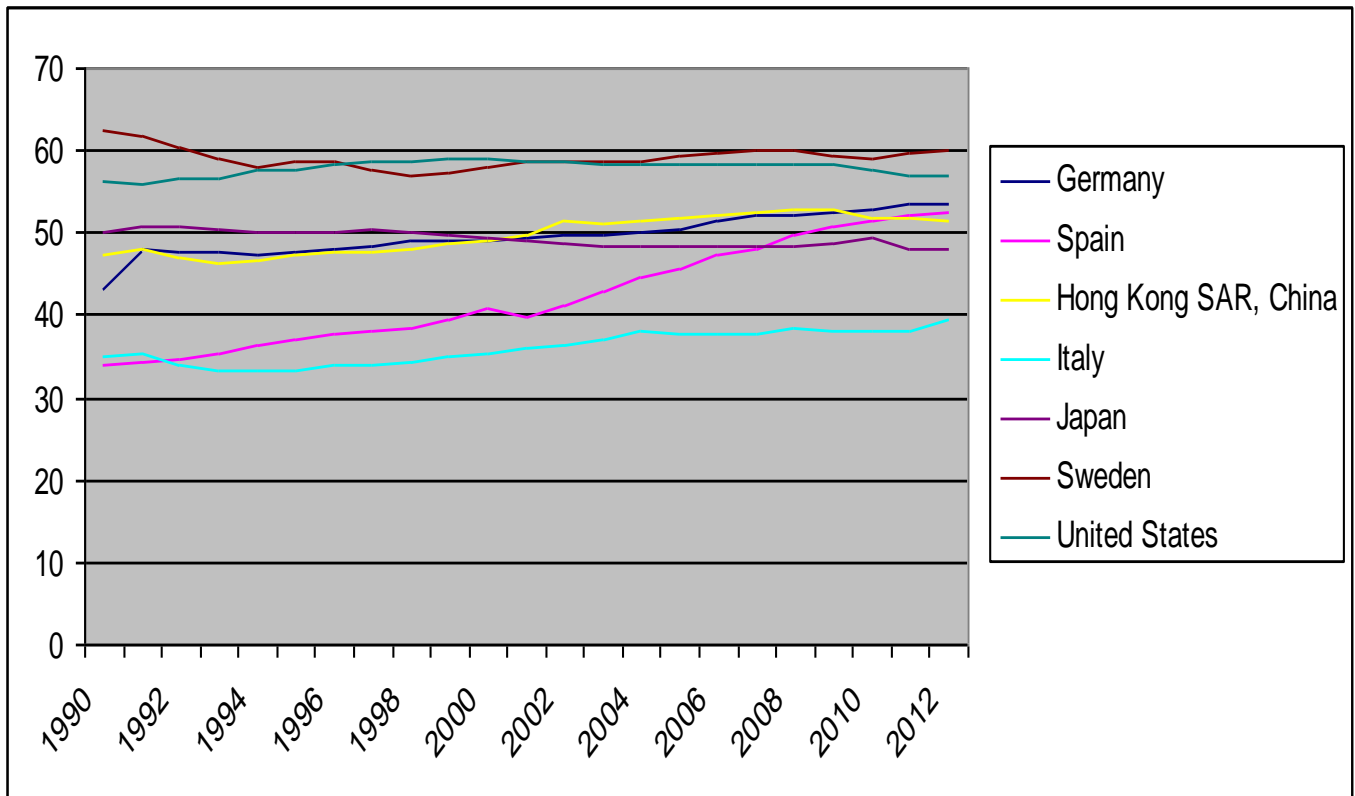
**Figure 1: Trends in Total Fertility Rate (TFR) in selected welfare states**



Source: World Bank 2014a

However, the female labour force participation rate of Hong Kong tells a slightly different story. Female labour force participation rates across select nations are shown in Figure 2. While the female labour force participation rate of Hong Kong is significantly lower than non-familialist regimes, Sweden and United States, it is much higher than South European familialist regimes, including Spain (until the late 2000s) and Italy.

**Figure 2: Trends in female labour force participation rates in selected welfare states (%)**



Source: World Bank 2014b

These data illustrate that Hong Kong has had the lowest fertility rate of the select nations since the mid-1990s, but has experienced a moderate and increasing level of female labour force participation, when compared with other familialist regimes. While there is still a strong case in describing Hong Kong as a familial welfare regime according to these two patterns, Hong Kong does not seem to be a particularly strong case when it comes to discouraging female labour force participation and maintaining a bread-winner model.

Can this pattern be a sign of 'liberal-familialism', as discussed in Chapter 2, that is a regime in which both family and market constitute significant spheres in the delivery of social care provision (Ochiai 2009). 'Liberal-familialism' indicates the co-existence of a high level of defamilialisation via market mechanisms and a low level of defamilialisation via households, a possibility that is not explored in Esping-Andersen's familial/non-familial welfare regime framework. Can Hong Kong be characterised as a 'liberal-familial welfare regime'? In the following section, we will examine the level of defamilialisation in the sphere of the welfare

state, market and household in order to evaluate if ‘liberal-familialism’ is a correct description of the type of welfare regime that exists in Hong Kong.

*Is Hong Kong a familial welfare regime?*

As suggested in Chapter Three, to determine whether a country is a familial welfare regime, we need to measure the degree of defamilialisation in all three spheres that constitute a welfare regime: welfare state provisions, the market and the household. Table 3 presents a comparison of the level of defamilialisation within Hong Kong as compared to other welfare regimes, including liberal, social democratic and conservative regimes. The conservative regimes are divided into three groups: Continental Europe, Southern Europe and Japan, with the two countries in Southern Europe and Japan often described as being highly familialistic, even within conservative regime nations.



**Table 3: Defamilialisation measures: welfare state, market and household, by state and regimes<sup>9</sup>**

Defamilialisation Sphere	Welfare state			Market		Household	
	Non-health family service expend. as % of GDP (2009)	% of children under the age of 3 years using public day care centres (1980s)	% of aged >65 receiving home-help services (1990)	Cost of childcare as a % of average family income (mid - 1990s)	Privatised market care as a % of total care provision (1990s)	Weekly unpaid hours of domestic work undertaken by women (1985-90)	% of aged parents living with adult children (mid-1980s)
<b>Liberal regimes</b>							
Canada	1.55	4	2	N/A	N/A	32.8	N/A
UK	4.22	2	9	16	15	30.0	16
USA	1.22	1	4	9 (1997)	50	31.9	15
<b>Social democratic regimes</b>							
Denmark	3.90	48	22	7 (public)	8	24.6	4
Norway	3.34	12	16	N/A	6	31.6	11
Sweden	3.75	29	16	10 (public)	N/A	34.2	5
<b>Continental Europe</b>							
France	3.98	20	7	14	N/A	36.0	20
Germany	3.07	3	2	12	N/A	35.0	14
Netherlands	2.48	2	8	14	N/A	38.7	8
<b>Southern Europe</b>							
Italy	1.58	5	1	20	N/A	45.4	39
Spain	1.77	3	2	N/A	N/A	45.8	37
Japan	1.48	N/A	1	N/A	N/A	33.1	65
Hong Kong	0.0015 (2009)	0.0025 (2013)	0.05 (2011)	21.5 (1996)	13.5 (1997)	22.4 (2003)	53.5 (2006)

Source: All figures based on Esping-Andersen (1999), except data for Hong Kong: col. 1: EADP (2013); col. 2 - 4: author's own calculations; col.5: Tam (1999); col. 6: Census and Statistics Department (2003b); col. 7: Census and Statistics Department (2006a); and data for OECD in col.1: OECD (2014); USA in col.4 is based on United States Census Bureau (1997)

When we look at the sphere of the welfare state, the level of defamilialisation in Hong Kong is almost negligible for all indicators. In terms of social spending, Hong Kong spent only 0.0015 percent of GDP on non-health family service expenditure<sup>10</sup>, which is a very low figure

<sup>9</sup> The more recent data on coverage is unavailable from OECD data. Recent publicly available data in OECD contains only the coverage rate of all formal childcare and home-based long-term aged care. This includes both public and private providers. Therefore, older data from Esping-Andersen (1999) is used in this thesis. Most data for Hong Kong, however, is taken from more recent years, rather than the period used in Esping-Andersen (1999). Although this leads to limitations on time comparability, this limitation is not critical as the main purpose of this comparison is to understand Hong Kong, rather than other welfare states, and to do this through locating Hong Kong in the existing welfare regime typology framework. This framework, therefore, is an analytical tool that is aimed at situating Hong Kong based on a comparative analysis of nations known to fall into different welfare regimes. It does not attempt to update the status of different nations in terms of their welfare regime location. When nation to nation comparison is important, such as the comparison of the degree of transformation in female labour market participation, undertaken in Section Two, the most recent data will be used to ensure time comparability. All time-periods for the data are stated in parentheses in each column.

<sup>10</sup> For this indicator, Esping-Andersen (1999) used the OECD measurement on public spending on family benefits, which includes child-related cash transfers to families with children, public spending on services for families with

even when compared with the lowest spenders, The United States, Japan, Canada and Italy, which spent 1.22 percent, 1.48 percent, 1.55 percent and 1.58 percent of GDP respectively. The same can be said for indicators on coverage. Public child care provision in Hong Kong covers only 0.0025 percent of children under the age of 3 years<sup>11</sup>. This coverage rate is significantly lower than countries considered to have low coverage, including the United States, United Kingdom and the Netherlands, where publicly provided childcare constitutes between 1 and 2 percent of childcare for children under the age of 3. The same low coverage, albeit to a lesser extent, can be found in public aged care services in Hong Kong. The percentage of people aged 65 or over receiving government home-help<sup>12</sup> services is 0.05 percent, which is significantly lower than the countries with the lowest public coverage, Italy and Japan, whose services cover 1 percent of the population over the age of 65.

When we look at measures of defamilialisation in the sphere of the market, the degree of defamilialisation is quite low. As suggested in Chapter Three, the effectiveness of market alternatives can be measured by their coverage and cost. In this case we have both the measure of cost, indicated by the cost of childcare as a percentage of average family income, and the measure of coverage, indicated by the percentage of privatised market care as a proportion of total care provision.

The cost of private childcare as a percentage of average family income<sup>13</sup> indicates the percentage of family income a typical family needs to spend if they want to use the market to

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children and financial support for families provided through the tax system (OECD 2014). For Hong Kong, we use the EADP (2013) data, which includes public childcare services, government subsidy to childcare services run by NGOs and financial assistance for childcare cost to parents in need via the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS).

<sup>11</sup> The figure for Hong Kong is calculated based on the number of cases in public day care centres run by the Social Welfare Department in 2012-2013 (Social Welfare Department 2013) as a proportion of the total number of children in the three years from 2010 to 2012 (Census and Statistics 2014).

<sup>12</sup> The figure for Hong Kong is calculated based on the combined number of cases receiving aged care programmes provide by the Social Welfare Department in 2011. This includes Home Help Services, Enhanced Home and Community Care Services and Integrated Home Care Services (Social Welfare Department 2013).

<sup>13</sup> The figures for this indicator need to be treated with caution because of the different calculation methods involved. For all countries except Hong Kong and the United States, average family income is based on an average production worker's income + 66 percent (as the assumed average female partner income) (Esping-Andersen 1999: 64). For Hong Kong, average family income is based on the median household income. For the United States, this figure is calculated based on the percent of family income spent on childcare (United States Census Bureau 1997).

substitute care provision by household members. Since foreign domestic workers are regarded as the most common form of marketised social care in Hong Kong in existing literature, the cost of hiring foreign domestic workers is used as the equivalent of the cost of private child care in other countries. The cost of hiring foreign domestic workers is calculated by the minimum salary of hiring one worker under current legislation in Hong Kong<sup>14</sup>. Based on this calculation, the cost of hiring foreign domestic workers is 21.5 percent of median household income in Hong Kong. This is higher than the country with the second highest childcare cost, Italy, which comprises approximately 20 percent of the income of an average two-earner household. Foreign domestic workers, therefore, are far from a low cost option when compared with private childcare services in liberal regimes and continental Europe, or the public child care services in social democratic regimes. For the indicator on coverage<sup>15</sup>, the coverage of foreign domestic workers who provide childcare is higher than the degree of private childcare in social democratic regimes and is close to that of the United Kingdom (15 percent). However, this is still not comparable to the high levels of private childcare coverage of the United States (50 percent)<sup>16</sup>. While the market, in the form of foreign domestic workers, plays a more important role than the welfare state, the level of defamilialisation provided through the sphere of market cannot be described as strong.

If both the state and market measures do not allow for a significantly high level of defamilialisation, can we conclude that Hong Kong is a familial welfare regime in which the

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Also, for Denmark and Sweden, the cost of public childcare is used instead of private childcare, as opposed to other countries in the same column.

<sup>14</sup> The cost of hiring foreign domestic workers is difficult to estimate accurately. Apart from salary, employers also need to provide or pay for suitable accommodation with reasonable privacy, free food (or food allowance in lieu), return flights between the worker's home country and Hong Kong, work injury insurance and free medical treatment (GOVHK 2013). The calculation used in this thesis is based on the stipulated minimum wage for foreign domestic workers in 1996 (HKD3,750 per month) divided by the median monthly household income (HKD 17,475 per month) (Tam: 1999). Therefore, it is a conservative estimate that may underestimate the actual cost of hiring foreign domestic workers.

<sup>15</sup> The estimate for Hong Kong for this indicator is based on the percentage of households with children below the age of 12 who hire foreign domestic workers out of all households with children below the age of 12.

<sup>16</sup> The level of private childcare coverage in Hong Kong is similar to that of the United Kingdom, rather than the United States, and indicates a low level of coverage by private childcare. Although the United Kingdom is regarded as a liberal welfare regime, Esping-Andersen does not regard it as an ideal case for defamilialisation through market mechanisms. On the contrary, the United Kingdom is described as a country with a low degree of defamilialisation when it comes to childcare, with a strong reliance on family in providing childcare, a low rate of single mothers in employment and a service bias towards the aged, as opposed to children (Esping-Andersen 2009).

household absorbs a high level of caring responsibility? Our findings provide an ambivalent set of results. Based on the indicator on weekly unpaid hours of domestic work provided by women, Hong Kong has the lowest weekly unpaid hours (22.4 hours), when compared with all the countries examined. The only country that has similarly low weekly unpaid hours is Denmark, a social democratic regime with a high level of defamilialisation. This is somewhat surprising given the low degree of defamilialisation via both state and market mechanisms in Hong Kong. However, for the indicator on the percentage of aged parents living with children, Hong Kong has a very high percentage (53.5 percent), which is in line with highly familialistic regimes such as Japan (65 percent), Italy (39 percent) and Spain (37 percent).

These two results appear contradictory, as the degree of unpaid domestic work undertaken by women indicates that the household absorbs a low degree of caring or domestic responsibilities, while the proportion of people aged parents living with children indicates a household condition in which the family is likely to be the provider of social care. However, this is not necessarily contradictory. On the contrary, the hypothesis of 'low fertility equilibrium' suggests that women may reduce, delay or even forego having children, as a strategy to cope with the economic trade-off between having a career and having a family. The low unpaid hours provided by women can therefore be a result of such strategy, in which the unpaid hours required are reduced due to having fewer or the absence of children in the family.

The breakdown of data from the time-use study in Hong Kong (Census and Statistics Department 2003b) supports this latter interpretation. The unpaid weekly hours spent on domestic work by full-time home makers in Hong Kong is 46.2 hours, which is similar to that of highly familialistic nations including Italy (45.4 hours) and Spain (45.8 hours). The amount of unpaid hours of all women (22.4 hours), and all married women (28.7 hours), however are significantly lower, which suggests that the average amount of unpaid hours of domestic work provided by women in Hong Kong may be a reflection of a large number of married women

who participate in the labour market and who choose to reduce, delay or forgo having children, as a strategy to cope with the economic trade-off between career and family.

Furthermore, the low unpaid hours provided by women are not a result of the higher contribution of men towards domestic labour, which could provide an alternative explanation. A more equitable gendered division of labour within the household may increase both female labour force participation and fertility levels as it makes it easier for women to reconcile career and childbirth (Craig 2006; Craig and Mullen 2011)<sup>17</sup>. So how does Hong Kong compare in terms of the gender division of domestic labour? Table 4 presents a comparison of gender equalisation of housework (measured by men's share as a percentage of total time spent on housework by a married couple<sup>18</sup>).

**Table 4 Gender equalisation of housework**

	1980	21st Century
USA	32	33
Denmark	31	41
Spain	23	32
Hong Kong	N/A	21

Source: Esping-Andersen 2009; Census and Statistics Department 2003b

As the data shows, gender equalisation in Hong Kong is quite low (21 percent) and only equivalent to that of familialist Spain in the 1980s (23 percent), but not comparable to any of the selected countries in the twenty-first century. Therefore gender equalisation does not provide an alternative explanation of the patterns evident in Hong Kong. These findings suggest that Hong Kong can be considered a familial regime, with time-use patterns further suggesting that a 'low-fertility equilibrium' is very likely to be a consequence of women choosing to reduce the number of children they have, delay or forgo childbirth as strategies to reduce caring and domestic duties at home.

<sup>17</sup> Families with women in employment tend to have a slightly more equitable share in the distribution of unpaid work within the household, with men doing more routine housework and caring for children alone (Craig and Mullen 2011). Also, countries with a more equitable share of unpaid domestic work in the household, such as Norway, also tend to have higher female labour force participation and fertility levels than familialist countries, such as Italy (Craig 2006)

<sup>18</sup> The data for Hong Kong is estimated by the aggregated data for married men and women and their average time spent on household commitments per day (Census and Statistics Department 2003b).

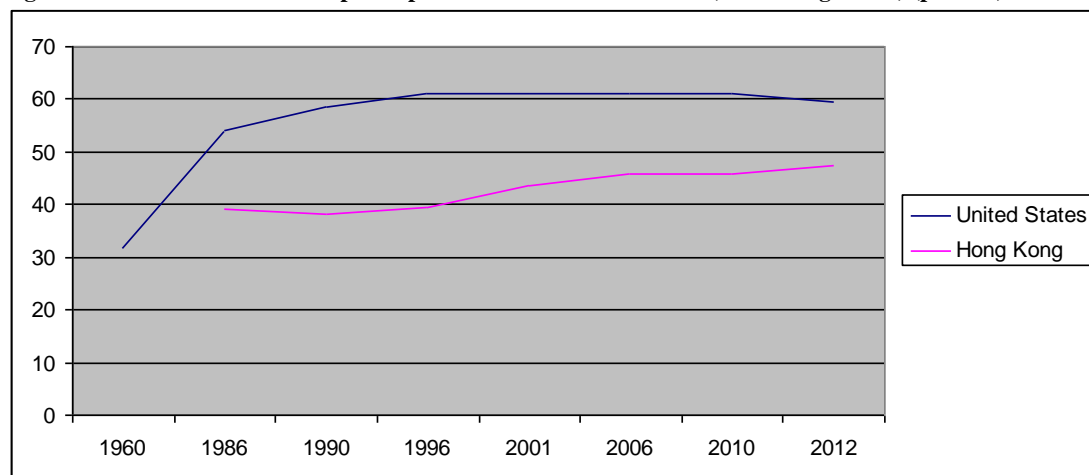
The second condition for ‘low-fertility equilibrium’ is evidence of transformation in female labour market participation. Has Hong Kong entered into such a phase? This is the subject of the next section.

## Section 2: Transformations in female labour market participation in Hong Kong

As discussed in Chapter Three, the transformation of female labour market participation can be measured using two dimensions: the degree in which women's participation in the labour market constitutes a career and the degree of gender equality within the labour market. This section will compare these dimensions for Hong Kong with the United States, a country whose development is used by Goldin (2006) and Esping-Andersen (2009) to illustrate the transformation of female labour market participation in post-industrial societies.

As discussed in Chapter Three, the degree to which women's participation in the labour market constitutes a career can be measured by the trend in labour force participation of married women. The increasing trends in labour force participation of married women in post-industrial societies indicate the decreasing number of full-time home-makers in households. Figure 3 presents trends in the labour force participation rate of married women (over the age of 15) for Hong Kong and the United States<sup>19</sup>.

**Figure 3: Trends in labour force participation rate - married women (over the age of 15) (percent)**



Source: United States Census Bureau (2012), Census and Statistics Department (2013)

As Figure 3 indicates, the participation rate for married women in the United States was very low in the 1960s, but increased rapidly between 1960 (31.9 percent) and 1986 (54.2 percent), and then increased gradually from 54.2 percent in 1986 to 61.2 percent in 1996. The rate has

<sup>19</sup> The labour force participation rate of married women for the United States includes only those who are currently married. However, the figure for Hong Kong includes those who are widowed, separated and divorced.

stabilised at around 60 percent since then. In Hong Kong, the participation rate of married women remained steadily below 40 percent between 1986 and 1996. However, a steady and consistent increase began in 1996 and reached 47.3 percent in 2012. This pattern seems to suggest that there is a transformation of female labour force participation in Hong Kong, beginning around 1996, although in a much more gradual manner than that which occurred in the United States, which experienced a much steeper and larger increase between the 1960s and mid-1980s.

While there are many factors that explain this gradual increase, two of the most important factors are the expansion of public education and economic restructuring in Hong Kong in the 1980s (Mak and Chung 1997). The expansion of public education, including the introduction of free and compulsory education, began in 1971. It was expanded to nine years to cover the first three years of secondary education in 1978. The expansion of school places had a significant effect for the educational attainment of women, not only due to the increase in school places but also in changing parental attitude towards sending their daughters to secondary schools. In 1971, the proportion of women who enrolled in secondary school was still 10 percent lower than that of men. That proportion increased due to the introduction of free and compulsory education, with gender parity in secondary education being reached in 1981 (Mak and Chung 1997:5-16).

A declining trend in women's participation in the labour market however appeared in the early 1980s when Hong Kong began the process of de-industrialisation. Many Hong Kong manufacturers began to relocate their production bases to China, resulting in a decline in manufacturing jobs in Hong Kong. The loss of manufacturing jobs affected women over the age of 25 with no or little education particularly hard, as many were no longer employed and failed to compete for unskilled jobs in the service economy when competing with younger women and men due to age and gender bias in the labour market. Many married women, therefore, retreated to the private sphere as full-time home makers. This, however, did not



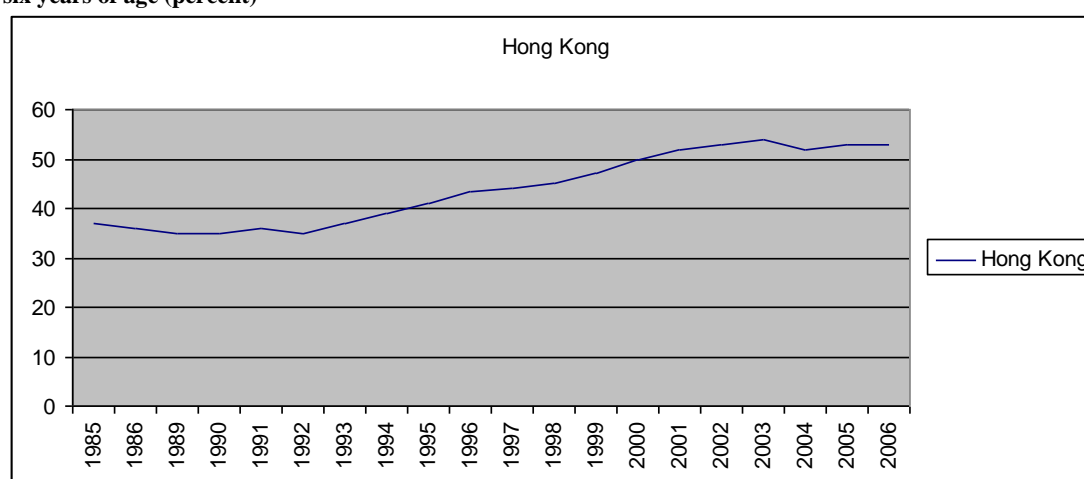
lead to a significant decrease in female labour force participation as this decrease was off-set by an increase in participation of married women with higher education (Mak and Chung 1997: 23)<sup>20</sup>. Therefore, the labour force participation rate of married women in Hong Kong has never dropped to a level as low as the familial welfare regimes in Europe. The compressed development in East Asia means that once conditions favouring a high level of full-time home maker appear, it is replaced by conditions favouring a new generation of full-time, career-oriented married women. The effect of these changes led to a slight decrease in the labour force participation rate of married women and women with children until mid-1990s, when the positive effect of increasing educational attainment of women outweighed the negative effects of deindustrialisation.

As discussed in Chapter Three, another indicator of the degree to which women's participation in the labour market constitutes a career is the labour force participation rate of women with children aged below six years of age. Figure 4 presents trends in the labour force participation rate of women (aged 25 to 44) whose youngest child is below the age of six in Hong Kong, based on a study undertaken by Cortes and Pan (2013).

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<sup>20</sup> The labour force participation rate of married women with no schooling or kindergarten dropped from 41% to 24% between 1986 and 1991. The decrease is less significant for women with primary education, which decreased from 44% to 38%; and for women with lower secondary education, which decreased from 47% to 44%. The participation rate of women who obtained higher education (including upper-secondary education, matriculation and degree-based tertiary education) all had a 2-3% increase in the same period, except for the category of women with non-degree tertiary educational qualifications, who had a 2% decrease in that period (Mak and Chung 1997: 27).

**Figure 4: Trends in labour force participation rate of women (aged 25 – 44) whose youngest child is below six years of age (percent)**



Source: Cortes and Pan (2013)

The participation of these women was consistently below 40 percent between 1985 and 1992, but began to rise in 1993 and has been above 50 percent since 2000. The trend in the labour force participation rate of women with the children aged below six years of age resembles the participation rate of married women in general, which began in the mid-1990s. The proportion of households hiring at least one domestic worker in this period also increased significantly from less than 2 percent in 1986 to close to 8 percent in 2006. The majority of these women have higher levels of education and have children at home, which suggest that the increase in the use of foreign domestic worker is likely to be caused by the increasing need for women to reconcile work and childcare responsibilities (Cortes and Pan 2013: 2-5).

The mode of labour market participation for married women and women with young children is predominantly full-time employment, largely explained by the low part-time work opportunities in Hong Kong. Table 5 presents the percentage of part-time employment for women in the United States and Hong Kong<sup>21</sup>.

<sup>21</sup> Different measures of part-time work are used in the United States and Hong Kong. In the United States, part-time workers refer to those who usually work less than 35 hours per week (U.S. Bureau of Labour Statistics 2014b). Part-time employees in Hong Kong refer to employees who usually work: 1) less than 5 days per week; or 2) less than 6 hours per day; or 3) less than 30 hours per week (if the number of working days per week is not fixed). (Census and Statistics Department 1999; 2000; 2003a; 2004; 2006b; 2010)

**Table 5: Part-time employment as percentage of total female employment, selected years**

	United States (all women)	Hong Kong (All women)	Hong Kong (married women only)
1999	25.3	5.3	7.0
2000	24.6	5.4	7.4
2002	25.3	5.9	7.7
2003	25.6	6.0	7.4
2005	25.2	6.7	8.3
2009	26.5	6.6	8.3

Source: U.S. Bureau of Labour Statistics (2014b); Census and Statistics Department (1999; 2000; 2003a; 2004; 2006b; 2010)

Part-time employment only made up between 5.3 percent and 6.7 percent of total female employment between 1999 and 2009. Part-time employment for married women was slightly higher in the same period and made up between 7.0 percent and 8.3 percent of total female employment. However, this is still a very small portion when compared to the United States. Part-time employment for women comprised between 24.6 percent and 26.5 percent of total female employment during the same period. While a high number of women working part-time may indicate that women participate in the labour market as a secondary earner in the family (Tijdens 2002), part-time employment indeed provides additional opportunities for women to manage both paid employment and caring duties for their children. Therefore, while the female labour force participation rate of married women is lower in Hong Kong when compared to the United States, the high level of full-time employment of married women in Hong Kong indicates that those who participate in the labour market are more likely to participate in a full-time capacity, potentially in a career oriented mode, rather than as the secondary workers whose main duties remain as domestic and caring workers at home. This finding has two implications. Firstly, despite the lack of defamilialisation measures (as shown in Section One) and part-time employment opportunities, the labour force participation rate of married women and women with children has, nevertheless been increasing in the past decades. This means that the constraint in labour market (indicated by the lack of part-time opportunities) is likely to exacerbate the economic trade-off between having a career and a family with children for women. Secondly, the lack of part-time opportunity in labour market may parallel the of the lack shorter periods of care in market (such as private childcare centre), which reinforces the tendency of preserving caring duties as a function of the family.

Female labour participation rates alone, however, do not tell us the quality of the jobs that are undertaken by women and their career prospects in the labour market. Therefore, we need to examine the degree of gender equality within the labour market, to determine if labour market opportunities are available for women to participate in labour market as a career. Table 6 compares the degree of gender equality in the labour market for the United States and Hong Kong. This includes gender equality in educational attainment (measured by male-female ratio of College/University degrees), earning equality (measured by women's earning as a percentage of men's) and occupational equality (measured by male-female ratio in managerial and professional positions) in the labour market.

**Table 6 Degree of gender equality in the labour market - United States and Hong Kong**

	Male-female ratio of College/University degrees <sup>22</sup>		Women's earning as a percentage of men's <sup>23</sup>		Male-female ratio in managerial positions <sup>24</sup>		Male-female ratio in professional positions <sup>25</sup>	
	US	HK	US	HK	US	HK	US	HK
1960	1.7	-	-	-	-	-	-	-
1986	1.4	2.2	69.5	66.7	1.7	-	1.0	-
1991	1.2	1.7	74.2	75.0	1.4 (1993)	5.3 (1993)	0.9 (1993)	2.1 (1993)
1996	1.1	1.4	75.0	80.0	1.4	4.1	0.9	2.1
2001	1.1	1.2	76.4	83.3	1.2	2.9	0.9	2.1
2006	1.1	1.1	80.8	80.9	1.4	2.4	0.8	1.8
2010	1.0	1.0	81.2	84.1	1.3	2.3	0.7	1.7

<sup>22</sup> Data for 1960, 1986, and 1991 in the United States, college / university degrees refers to those whose level of schooling is 4 years of college or more. From 1996 onwards, college/ university degrees refer to those who obtain a bachelor degree or above. For all data in Hong Kong, college/ university degrees refer to those who obtain a bachelor degree or above.

<sup>23</sup> In the United States, women's earnings as a percentage of men's is calculated based on the median usual weekly earnings of full-time wage and salary workers. In Hong Kong, it is based on the median monthly employment earnings of employed persons. The salary of foreign domestic workers (who were mainly female and had lower wages than the general population) was included in the statistics in Hong Kong for 1986, 1991 and 1996 but not afterwards.

<sup>24</sup> For the United States, managerial positions refer to the category of 'executive, administrative, and managerial' in 1986, 1991, 1996 and 2001. From 2006 onwards, managerial positions refer to the category of 'management, business, and financial operations occupations'. For Hong Kong, managerial positions refer to the category of 'managers and administrators' under the International Standard Classification of Occupations 1988 (ISCO-88) from 1986 to 2010. For 2012, the managerial positions refer to the category of 'managers and administrators' under (ISCO-08).

<sup>25</sup> For the United States, professional positions refer to the category of 'professional specialty' in 1986, 1991, 1996 and 2001. From 2006 onwards, managerial positions refer to the category of 'professional and related occupations'. For Hong Kong, professional positions refer to the category of 'professionals' under the International Standard Classification of Occupations 1988 (ISCO-88) from 1986 to 2010. For 2012, professional positions refer to the category of 'professionals' under (ISCO-08).

2012	0.9	1.0	80.9	78.6	1.3	2.0	0.8	1.7
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Source: Col 1: U.S. Census Bureau (2014); Census and Statistic Department (2013); Col 2: U.S. Bureau of Labour Statistics (2014b); Census and Statistic Department (2013); Col. 3 & 4: U.S. Bureau of Labour Statistics (2014a); U.S. Census Bureau (2014); Census and Statistic Department (2013)

The first indicator on education suggests that the gender gap in college/ university degrees in Hong Kong closed significantly between 1986 and 2001, in which the male-female ratio in college/ university degrees dropped from 2.2 to 1.2. This gender gap continued to close gradually since 1996 and reached almost complete equality by 2012. This is very similar to the trend in the United States, although the decrease in the male-female ratio in college/ university degrees in the United States from the 1960s onwards is more gradual than that of Hong Kong.

Gender equality in education is of significant importance to the quality of labour market participation. Gender equity in higher degree qualifications paves the way for gender equality in the labour market, as more women possess the qualifications required for jobs with higher income, such as the managerial and professional positions. However, as Goldin (2006) argued, although educational attainment paves the way for gender equality in the labour market, labour market opportunities need to exist for women in order for the transformation of female labour market participation to take place. This is measured by indicators on earning equality and occupational equality between men and women.

In terms of earning equality, women's earnings as a percentage of men's in Hong Kong also indicated trends towards equality, with a significant rise from 66.7 percent in 1986 to 80.0 percent in 1996. From 1996 onwards, the level has fluctuated between 80.0 percent and 84.1 percent, until a recent drop to 78.6 percent in 2012. Again, the United State has a similar trend but experienced in a more gradual manner. Women's earnings as a percentage of men's in the United States was 69.5 percent in 1986 and has increased gradually since then. Women's earnings reached approximately 80 percent of men's only in 2006, and remained at a level

slightly above 80 percent between 2006 and 2012. In terms of earning equality, Hong Kong reached a relatively more equal level (80.0 percent) ten years earlier than the United States<sup>26</sup>. For the two indicators on occupational equality, there are also increasing trends towards equality in both male-female ratio in managerial and professional positions in Hong Kong. This indicates an increase in occupational equality between men and women as more women are now occupying top tier positions in the labour market. The most dramatic decrease can be found in the male-female ratio in managerial positions between 1993 and 2001, in which the ratio dropped from 5.3 to 2.9. The ratio then decreased gradually from 2.9 in 2001 to 2.0 in 2012. The male-female ratio in professional positions was at a more equal level in 1993 (just over two men for every woman in a professional role at a ratio of 2.1), and decreased in a gradual manner until it reached 1.7 in 2012.

Despite these trends towards increasing gender equality in both managerial and professional positions, Hong Kong still has a significant gap in gender equality when compared with the United States. The male-female ratio in managerial positions in the United States was 1.7 in 1986, a level lower than Hong Kong in 2012. The ratio fluctuated between 1.2 and 1.4 from 1993 to 2012. For the male-female ratio in professional positions, the United States had essentially effective gender parity of 1.0 in 1986, lower than Hong Kong in 2012. Since 1993, the gender patterns have reflected that more women than men are employed in professional positions.

All indicators suggest that there is a gradual trend in the transformation of female labour market participation in Hong Kong which began in the 1990s. Starting from the mid-1990s, there has been a gradual increase in the labour force participation of both married women and women with young children. Most participate in the labour market on a full-time basis, rather

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<sup>26</sup> This suggests the limit of using the United States as an example of gender equality in the labour market as the United States has one of the largest gender pay gaps among advanced economies. This is partly due to its high level of wage inequality and the large proportion of women who are working in low and unskilled job (Blau and Kahn: 2001:2). Despite this limit, the trend in both countries points to an increasing gender equality in earnings, which supports that the transformation in female labour market participation has occurred in Hong Kong.

than part-time as secondary workers. This trend has been accompanied by an increase in gender equality in the labour market. The gender gap in levels of university education decreased since 1986 and became almost equal in 2012, while women's earning as a percentage of men's reached 80 percent as early as 1996. A dramatic decrease in the male-female ratio in managerial positions occurred between 1993 to 2001, followed by a continuing decreasing trend until now, while the male-female ratio in professional positions began at a relatively low level in 1993 and have continued to decrease gradually since then. These trends all support that Hong Kong is undergoing transformation in female labour market participation.

With Hong Kong fulfilling both conditions of 'low-fertility equilibrium', the hypothesis of 'low-fertility equilibrium', in which women reduce the number of children they have, delay or forgo childbirth as a strategy to cope with the economic trade-offs between career and family, seems to be a possible explanation for the low fertility level of Hong Kong. We will pursue this analysis further in the next section by examining factors affecting labour force participation and the fertility decisions of married women in Hong Kong based on the data from 2011 Population Census.

### Section 3: Testing the ‘low fertility equilibrium’ hypothesis

This section will analyse the factors that determine the number of children women have and whether they participate in the labour market or not. Since the key change in the transformation in female labour market participation is the increase in female labour force participation rates of married women, the analysis focuses on factors affecting labour force participation and fertility decisions of married women<sup>27</sup>.

Two empirical tests will be conducted in order to test the key hypotheses listed in Section Three. This includes the impact of defamilialisation/familialism on fertility and female labour force participation, the hypotheses of ‘low fertility equilibrium’ and ‘incomplete defamilialisation’. As suggested in Section Three, the first test will examine factors that may affect the likelihood of a woman having two or more children, one child, or no children at all. The factors that will be examined include: 1) the presence of live-in foreign domestic workers (as a form of defamilialisation through the sphere of market); 2) participation in the workforce (as a measure of the economic trade-off between career and family); 3) the presence of older people over the aged of 65<sup>28</sup> at home (as an indication of welfare responsibility being absorbed by the household); 4) educational attainment (as a measure of career opportunity in labour market); and 5) domestic household income (as a measure of socio-economic status). The dependent variable, the number of children women have, is inferred from a variable which indicates that there are children below the age of 15 currently living in the household.

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<sup>27</sup> This test uses a 1 percent sample data of the 2011 Population Census conducted by the Census and Statistics Department of Hong Kong. From the sample, we select only women who are married, or have been married (including divorced, separated or widowed), under the age of 55, and are either working, looking for job or full-time home makers. There are a total of 12,082 cases fit this condition in the sample and are selected.

<sup>28</sup> This thesis uses the age of 65 as a definition of old age. This is often a standard definition in existing literature. It is also the age in which the Hong Kong people are allowed to withdraw their pension from the Mandatory Provident Funds (MPF), hence it is equivalent to the functional definition of retirement in Hong Kong at the current legislation. However, this definition is not entirely unproblematic. Given the increasing human longevity and declining morbidity, the amount of care that is required for people between the age of 65 and 80 often varies. Some people may only start to need some form of aged care after the age of 80. This is unfortunately a limitation of the current definition of old age.



The second test will examine factors that may affect the likelihood of women participating in the labour market. These factors include: 1) the presence of live-in foreign domestic workers; 2) the presence of older people over the age of 65 at home 3) educational attainment; 4) domestic household income; and 5) the number of children under the age of 15 at home (as a measure of economic trade-off between career and caring responsibility).

Participation in labour market is treated as an independent variable in the first test as it represents a possible key influencing factor explaining fertility decisions of women as a result of the economic trade-off between career and family, as presented in the hypothesis of ‘low-fertility equilibrium’. However, it is treated as a dependent variable in the second test as this test attempts to identify the potential of the ‘high fertility-high employment equilibrium’, which according to Esping-Andersen, is a possibility offered by defamilialisation mechanisms. Therefore, factors affecting women’s participation in labour market, especially those relating to existing familialism/ defamilialisation mechanisms, are included in the second test to examine this possibility of achieving of a ‘high fertility-high employment equilibrium’ in Hong Kong. Taken together, these two analyses will identify if Esping-Andersen’s analysis of the effect of defamilialisation on fertility and female labour market participation, and hence the hypothesis of ‘low fertility equilibrium’ derived from this analysis, can be supported by empirical data. If it does, the prescription offered by his analysis can also be useful for Hong Kong to rethink current population policy. Furthermore, these analyses will test the alternative hypothesis of ‘incomplete defamilialisation’ to explore if a class-specific pattern can be observed in women’s decisions regarding childbirth and labour market participation. If so, a class-specific policy prescription will be required in such a rethinking of population policy.

The findings of these tests will be presented in the following sections:

### *3a: Factors affecting childbirth decisions*

Table 7 presents the results of an analysis of factors that affect the likelihood of married woman having two or more children, one child or no children at all. The results indicate that there are statistically significant relationships between the dependent variable, the number of children women have, and the independent variables of having at least one foreign domestic worker at home, participation in the work force and domestic household income<sup>29</sup>.

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<sup>29</sup> Educational attainment also has a statistically significant relationship with the dependent variable; however, it will not be included in the analysis of factors affecting childbirth decisions of women. While its positive statistical relationship with the number of children married women have contradicts the ‘low-fertility equilibrium’ thesis, this appears to be a spurious relationship caused by the specific historical context of educational expansion and the limitation of the proxy variable in this test. As Hong Kong introduced free and compulsory primary education in 1971, women who attained primary education only are overwhelmingly older. This generation of women normally have married and had children earlier. . Among women who attained primary education only in our sample, 85.4% are above the age of 40, compared with 65% of women who attained a secondary education and 46.7% of women who attained a tertiary education. Because of the limitation in the Population Census data, we use the number of children under the age of 15 currently living in the household as the proxy variable for the number of children women have. If a woman gives birth at the age of 20-24, her children will be over the age of 15 when this woman reaches the age of 40. These children, therefore, are not included in the proxy variable. Given the overrepresentation of women above the age of 40 who attained primary education only, it is likely that many of their children are not included because of the limitations of the proxy variable.

**Table 7 Factors affecting the number of children (<15) within family**

Independent variables		Odds-ratio (ExpB)	
		1 child	2 or more children
<i>Presence FDW</i>			
	No FDW	0.14*** (0.08)	0.06*** (0.09)
	<b>Ref:</b> At least 1 FDW at home	.	.
<i>Labour Force Participation</i>			
	Not participate in workforce	2.40*** (0.14)	5.32*** (0.22)
	<b>Ref:</b> participate in workforce	.	.
<i>Person aged&gt;65 at home</i>			
	No person aged >65 at home	0.99 (0.07)	1.06 (0.09)
	<b>Ref:</b> at least 1 person aged >65 at home	.	.
<i>Education Attainment</i>			
	Primary education	0.41 *** (0.09)	0.35*** (0.12)
	Secondary education	0.86* (0.06)	0.76** (.08)
	<b>Ref:</b> Tertiary education	.	.
<i>Socio-economic status</i>			
	1 <sup>st</sup> income decile	1.03 (0.16)	0.75 (0.21)
	2 <sup>nd</sup> income decile	2.53*** (0.11)	2.14*** (0.15)
	3 <sup>rd</sup> income decile	2.57*** (0.11)	2.95*** (0.14)
	4 <sup>th</sup> income decile	2.16*** (0.11)	1.96*** (0.14)
	5 <sup>th</sup> income decile	1.72*** (0.11)	1.78*** (0.14)
	6 <sup>th</sup> income decile	1.52*** (0.11)	1.28 (0.14)
	7 <sup>th</sup> income decile	1.54*** (0.10)	1.01 (0.14)
	8 <sup>th</sup> income decile	1.20 (0.10)	1.24 (0.13)
	9 <sup>th</sup> income decile	1.20 (0.10)	1.12 (0.12)
	<b>Ref:</b> 10 <sup>th</sup> income deciles (Highest income group)	.	.

Total N = 12,082

Note: Nagelkerke = 0.191

Reference category is no children at home

Standard errors in parentheses

\*P<0.05, \*\*p<0.01, \*\*\*p<0.001

Having at least one foreign domestic worker at home is strongly associated with the increase the likelihood of having children. Women without foreign domestic workers at home have only a likelihood of 14 percent to have 1 child ( $p<0.001$ ), and 6.2 percent of having 2 or more children ( $p<0.001$ ), when compared with those who have foreign domestic workers.

Participation in the labour market also has a strong association, although the relationship is a negative one. Women who do not participate in the labour market are 2.4 times more likely to

have 1 child ( $p < 0.001$ ) and 5.32 times more likely to have 2 or more children ( $p < 0.001$ ), when compared with women who participate in the labour market.

There is also a statistically significant, negative relationship between household income and the number of children married women have. Women in the lower-middle and middle income groups are more likely to have children than women in the highest income decile. Among them, women in lower-middle income categories (2<sup>nd</sup> to 4<sup>th</sup> income decile) have a particularly higher likelihood. Women in the 2<sup>nd</sup> income decile are 2.53 times more likely to have 1 child ( $p < 0.001$ ) and 2.14 times more likely to have 2 or more children ( $P < 0.001$ ); women in the 3<sup>rd</sup> income decile are 2.57 times more likely to have 1 child ( $p < 0.001$ ) and 2.95 times more likely to have 2 or more children ( $p < 0.001$ ); and women in the fourth income decile are 2.16 times more likely to have 1 child ( $p < 0.001$ ) and 1.96 times more likely to have 2 or more children ( $p < 0.001$ ), when compared with women in the highest income decile<sup>30</sup>.

There is no statistically significant relationship between having at least one older person (over the age of 65) at home and the number of children married women have. While the presence of older people at home is an indicator of familialism, it can be a possible caring responsibility absorbed by other household members, but also a potential resource for absorbing childcare. The role of older people at home will be discussed together with its influence on female labour force participation in Section 3b and Section Four.

### *3b: Factors affecting whether married women participate in the labour market or not*

Similar findings can be found when examining factors affecting whether married women participate in the labour market or not. Participation in the labour market is treated as a dependent variable in this test to identify the influencing factors, including existing

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<sup>30</sup> Women in middle and upper income groups (5<sup>th</sup> to 7<sup>th</sup> income decile) also have a higher likelihood than women in the highest income group to a lesser extent. Among them, women in the 5<sup>th</sup> income decile are 1.72 times more likely to have 1 child ( $p < 0.001$ ) and 1.78 times more likely to have 2 or more children ( $p < 0.001$ ); women in the 6<sup>th</sup> income decile are 1.52 times more likely to have 1 child ( $p < 0.001$ ); women in the 7<sup>th</sup> income decile are 1.54 times more likely to have 1 child, when compared with women in the highest income decile.

defamilialisation mechanisms to explore the possibility of the “high-employment-high fertility equilibrium” in Hong Kong. These results are presented in Table 8:

**Table 8: Factors affecting whether married women participate in the labour market**

Independent variables	Odds-ratio (Exp B)
<i>Presence of FDW</i>	
At least 1 FDW at home	2.16*** (0.08)
<b>Ref:</b> No FDW	
<i>Person aged &gt;65 at home</i>	
At least 1 person aged >65 at home	1.28*** (0.07)
<b>Ref:</b> No person aged >65 at home	
<i>Education Attainment</i>	
Primary education	0.29*** (0.08)
Secondary education	0.49*** (0.06)
<b>Ref:</b> Tertiary education	
<i>Socio-economic status</i>	
1 <sup>st</sup> income decile	0.25*** (0.14)
2 <sup>nd</sup> income decile	0.60*** (0.11)
3 <sup>rd</sup> income decile	0.50*** (0.10)
4 <sup>th</sup> income decile	0.85 (0.10)
5 <sup>th</sup> income decile	1.18 (0.10)
6 <sup>th</sup> income decile	1.21 (0.10)
7 <sup>th</sup> income decile	1.45*** (0.10)
8 <sup>th</sup> income decile	1.58*** (0.10)
9 <sup>th</sup> income decile	1.46*** (0.10)
<b>Ref:</b> 10 <sup>th</sup> income decile (Highest income group)	
<i>Number of children aged &lt;15 at home</i>	
1 child	0.50*** (0.05)
2 or more children	0.28*** (0.06)
<b>Ref:</b> No children	

Total N = 12,082

Note: Nagelkerke R Square = 0.174

Standard errors in parentheses

Dependent variable is current participation in labour market

\*P<0.05, \*\*p<0.01, \*\*\*p<0.001

Having at least one foreign domestic worker at home increases the likelihood of labour market participation for married women by 2.16 times (p<0.001). The presence of older people over the age of 65 also has a positive impact on labour force participation, increasing the likelihood of labour market participation for married women by 1.28 times. This suggests that older people within the household are, instead of being a ‘care burden’, instead undertake

or assist with childcare (especially in the form of caring for their own grandchildren) and other domestic work, and hence, increase labour force participation of women with children (Albertini et al: 2007: 322).

Educational attainment also increases the likelihood of labour force participation for married women. Women with primary education have only a likelihood of 29 percent of participating in the labour market, when compared with women who have attained tertiary education ( $p<0.001$ ). Women with secondary education also have only a likelihood of 49 percent of participating in the labour market, when compared with women who have attained tertiary education ( $p<0.001$ ).

Women from the upper-middle and upper socio-economic groups are more likely to participate in the labour market than women from the lower socio-economic groups. Married women in the highest income decile have a higher likelihood of participating in the labour market, when compared with women from lower income groups (1<sup>st</sup> to 3<sup>rd</sup> income decile). When compared with women from the highest income decile, the likelihood of participating in labour market for women from the lowest income decile is only 25 percent ( $p<0.001$ ). Women from the 2<sup>nd</sup> income decile have a likelihood of 60 percent ( $p<0.001$ ) and women from the 3<sup>rd</sup> income decile have a likelihood of 50 percent ( $p<0.01$ ), of participating in the labour market. Women in the 7<sup>th</sup> to 9<sup>th</sup> income decile are even more likely to participate in the labour market than women from the highest income decile<sup>31</sup>. This pattern suggests Esping-Andersen's (2009) argument that the transformation in female labour market is an 'incomplete' one that is predominately concentrated among women in the middle and upper class (7<sup>th</sup> to 10<sup>th</sup> income decile). The relationship between socio-economic status, labour market participation and childbirth decision will be discussed further below and in Section 4a.

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<sup>31</sup> Women from the 7<sup>th</sup> income decile are 1.45 times more likely to participate in the labour market ( $p<0.001$ ) than women from the 10 income decile. Women from the 8<sup>th</sup> income decile have a higher likelihood of 1.58 times ( $p<0.001$ ) and women from the 9<sup>th</sup> income decile have a likelihood of 1.46 times ( $p<0.001$ ).

Finally, women with children at home are less likely to participate in the labour market. When compared with women without children, women with 1 child at home have only a 50 percent likelihood of participating in the labour market ( $p < 0.001$ ), while women with 2 or more children only have a likelihood of 28 percent ( $p < 0.001$ ).

This section has explored factors affecting labour force participation and fertility decisions of married women in Hong Kong. These findings support Esping-Anderson's analysis of the impact of defamilialisation/familialism on fertility and female labour force participation and the hypothesis of 'low fertility equilibrium' as a useful explanation for the low fertility levels of Hong Kong. There is, however, no evidence to support the hypothesis of 'incomplete defamilialisation'. This suggests that while transformation in female labour market participation is concentrated among women in middle and upper-middle class, the existing defamilialisation mechanisms, in the form of foreign domestic workers, are insufficient to support the transformation for women in these income groups. The implications of these findings will be discussed together with findings from Section One and Section Two within the context of policy developments in Hong Kong, in the next section.

## **Section Four: Discussion**

### *4a: Making sense of low-fertility equilibrium in Hong Kong*

The research findings suggest that Hong Kong is a familial regime, when compared with other familial and non-familial regimes. The degree of defamilialisation via welfare state social provisions is noticeably low in both spending and coverage (in childcare and aged care). While market provisions, in the form of foreign domestic workers, may play a role in defamilialisation for certain sections of the population. The cost of employing foreign domestic workers as carers is too high, that such a strategy is unlikely to be affordable for the majority of the population. Its coverage is also very low when compared with the archetypal liberal non-familial regime, the United States. Therefore, the market is not a significant sphere of defamilialisation due to its limited coverage and high cost.

Hong Kong has the lowest unpaid hours of domestic work undertaken by women, when compared to all other countries. This seems to be the result of ‘low-fertility equilibrium’, in which women reduce the number of children they have, delay or forgo childbirth as a strategy to reduce required domestic work and cope with the economic trade-off between career and unpaid work in the home and which increases with having children. This explanation is supported by trends in increasing female labour force participation in Hong Kong. A trend of increasing gender equality in the labour market can also be found in educational attainment, earning differentials, and opportunities for managerial and professional positions. While this economic trade-off is a common problem faced by women in post-industrial societies, the low degree of defamilialisation via welfare state and market mechanisms intensifies this trade-off, leading to a particularly low fertility level in Hong Kong.

The findings in Section One and Section Two suggest therefore that the low fertility of Hong Kong may likely be a consequence of ‘low fertility equilibrium’, which is experienced also by other familialist regimes, such as Italy, Spain, Japan and certain Continental European countries. To test the hypothesis of ‘low fertility equilibrium’ further, Section Three



examined factors affecting female labour force participation and fertility levels in Hong Kong. The research findings provide substantial evidence to support the ‘low fertility equilibrium’ hypothesis. In particular, defamilialisation mechanisms, in the form of employment of foreign domestic workers to provide care, are a powerful factor that can increase the likelihood of married women to both have children and participate in the labour market. These findings support Esping-Andersen’s (1999) argument that defamilialisation through either market or welfare state mechanisms are a key factor in increasing a country’s fertility and female labour force participation rates.

However, as the findings in Section One show, the level of defamilialisation in Hong Kong via either welfare state or market mechanisms is quite low. How can we explain this apparent contradiction within the findings? Defamilialisation via the sphere of the welfare state is negligible and defamilialisation via the sphere of the market through foreign domestic workers is too costly to be effective. This results in a significant economic trade-off between career and family for women in Hong Kong. This is supported by our findings, which suggest that women who participate in the labour market are less likely to have one child, and further unlikely to have two or more children.

While the presence of foreign domestic workers at home can increase the likelihood of having children and increase labour force participation of married women, there is no evidence supporting the hypothesis of ‘incomplete defamilialisation’, which argues that the effect of defamilialisation only appears in the upper and upper-middle classes. While married women in the highest income group are more likely to participate in the labour market than women in the lower income groups, they are less likely to have one or more children at home. One possible explanation for this pattern is that while defamilialisation via the sphere of the market (via the use of foreign domestic workers) is an effective measure in increasing fertility and female labour force participation, it is not widespread enough even among women in the

highest income groups<sup>32</sup>. Therefore, the limited coverage of foreign domestic workers means that it is an ineffective strategy for defamilialisation for women in Hong Kong.

The presence of older people (over the age of 65) has no statistical relationship with the likelihood of having children. However, it has a positive impact on increasing the likelihood of married women participating in the labour market. This seems to contradict Esping-Andersen's analysis that aged parents living with children is an indication of a high level of familialism in the sphere of the household. However, as Esping-Andersen (1999) recognised, older people at home are not only care-receivers but often caregivers. Mutual family care between older people and children can reduce the caring burden of married women at home. Familial support in the form of caring for grandchildren correlates with welfare regime type, with the most intense support (in terms of the average hours spent on providing such support), often found in familial regimes such as Italy, Spain and Greece, and the least intense support in social democratic regimes such as Denmark and Sweden (Albertini et al 2007: 324-326). This pattern of intense intergenerational transfer of time resource in familial welfare regimes is also found in Hong Kong, where familial support from older people at home is utilised as a resource to assist women to reconcile work and familial responsibilities, and hence increases the likelihood of women's participation in labour market. While intergenerational transfer of time resource plays a significant contributing role in assisting employed women to reconcile work and domestic duties in familial welfare regimes, it is not an effective mechanism for increasing fertility levels. To encourage childbirth, defamilialisation mechanisms through market or welfare state provision will be required as suggested by Esping-Andersen (1999) and the findings in this research.

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<sup>32</sup> Among our 12,082 married women in our sample, only 1,644 women have at least one foreign domestic worker at home. While 40.8 percent of those with at least one foreign domestic worker employed are women from the highest income decile, they are still the minority within the group, with only 45.9 percent of married women in the highest income decile hiring foreign domestic workers.

#### *4b: Policy responses to low-fertility equilibrium in Hong Kong*

The problem of low fertility levels in recent decades and its implication for sustainable development is a persistent problem identified by successive governments of Hong Kong. The government initiated development of a comprehensive population policy through its *Report of the Task Force on Population Policy* (2003). The Steering Committee on Population Policy (SCPP) was subsequently set up in 2007 to study the issue. The committee released its consultation documents in 2013, which identified key challenges in population policy including increasing the quantity of the labour force by drawing more people into the labour market, fostering a supportive environment for childbearing for young couple and promoting active aging through developing the ‘silver hair market’ (HKSAR 2013b).

There is, however, no major policy initiative that attempts to tackle the issue, apart from the technical adjustment of existing family support mechanisms, including increasing the tax allowance for families with children from a very low tax base, providing limited spaces in childcare facilities through the Social Welfare Department and fee waiver for those who are unable to afford childcare (HKSARG 2013a). The approach of the government can be summarised by a statement made by the Chief Secretary for Administration, Mrs Carrie Lam, in the Legislative Council in 2013:

*“...We believe it is not appropriate for the HKSARG (Hong Kong Special Administrative Region Government) to adopt policies to promote childbirth, a matter very much of individual choices. We should, however, review existing policies to see if they discourage childbirth...”*(HKSARG 2013a).

This reflects more broadly the ideology of the government, which perceives its role as being a ‘residual’ state that provides only minimal intervention within an established framework of financial prudence (Lee 2005). The result is a limited level of defamilialisation through welfare state provision shown in the findings in this research. With the lack of state support,

some turn to the market as a mechanism for defamilialisation. Hiring foreign domestic workers has become an option that has increased substantially in recent decades. However, as our findings suggest, its high cost and limited coverage means that it is not an effective mechanism of defamilialisation for the majority of population.

Familial support, including intergenerational transfer of time resources, remains a common resources utilised by families in Hong Kong. This is identified by the government of Hong Kong as a merit of Chinese Confucian culture, which values the importance of filial piety. A key example of this is the Family Council, established by the Hong Kong government in 2007, to promote inter-generational support amongst family members, including care for elderly members in the family (SCPP 2012: 86-87). The familialism of Hong Kong, therefore, is reinforced by a set of established cultural values and government's effort to promote these values as part of policy initiatives.

Intergenerational support, however, is insufficient to tackle the problem of 'low-fertility equilibrium' in Hong Kong. In order to increase both female labour force participation and fertility levels - the two objectives of population policy identified by the government of Hong Kong, Hong Kong needs to learn from non-familial welfare regimes and adopt some of their measures to develop more extensive defamilialisation mechanisms, either through welfare state or market provisions. This means either significantly increasing the coverage of publicly provided childcare or developing a market for low-cost private day-care services through state subsidy to consumers and/or providers to supplement the existing option of hiring foreign domestic workers. In either case, substantial state investment will be required. Therefore, the government will need to rethink its motto of being a residual state to a more proactive one in order to achieve its identified objectives of population policy.

## **Conclusion to Chapter Four**

This chapter has examined the level of defamilialisation through the spheres of the welfare state, market and household in Hong Kong. The findings suggest that Hong Kong is a familial welfare regime in which families have little means to unburden their caring responsibilities via either welfare state or market mechanisms. The findings, therefore, support the notion of an East Asian familial welfare regime as a cluster with other familial welfare regimes in Southern and Continental Europe, within the conceptual framework of defamilialisation. The concept of East Asian familial welfare regimes, however, may not be integrated into the framework based on Esping-Andersen's earlier welfare regime typologies (1990) (liberal, conservative and social democratic) as Hong Kong remains a 'residual state' with significantly low public spending on both family and non-family social services.

The research findings support Esping-Andersen's argument (1999; 2009) that familialism is unable to respond to the transformation in female labour market participation, which appeared during the mid-1990s in Hong Kong as a result of the expansion of public education in the 1970s. The result is a 'low-fertility equilibrium', in which women choose to reduce the number of children they have, delay and even forego childbirth to cope with the economic trade-off between career and family. This suggests that the adverse effects of familialism on female labour force participation and fertility levels is a cross-cultural phenomenon that requires proactive intervention from the state, either through direct provision or indirect market support.

'Low-fertility equilibrium' is supported by evidence from the empirical tests in this Chapter. Women who participate in the labour market are less likely to have one child, and further unlikely to have two or more children. We have shown that market based defamilialisation and intergenerational transfer of time as a caring resource, are largely ineffective measures. A transition from 'low fertility equilibrium' to 'high employment-high fertility equilibrium' may instead be possible through effective defamilialisation mechanisms. However, a

substantial increase in coverage of defamilialisation in Hong Kong will be required to achieve this transition. This requires proactive state invention. The government of Hong Kong, therefore, needs to move beyond a 'residual' state to achieve its sustainable population policy objectives of increasing both female labour force participation and fertility levels.

## **Chapter Five – Conclusion**

This thesis has attempted to locate East Asian welfare regimes within the welfare regime typology framework developed by Esping-Andersen (1990; 1999). Using Hong Kong as a case study, this thesis examined if ‘liberal-familialism’ (Ochiai 2009) is a valid concept that can be used to describe East Asian welfare regimes. Despite the popularity of hiring foreign domestic workers as a form of marketised social care provision among married women in the upper and upper-middle classes, our findings suggest that this option has high cost and provides limited coverage. This means that it is not an effective mechanism of defamilialisation for the majority of the population. Hong Kong, therefore, falls into the familial welfare regime, having the same low level of defamilialisation as other familial regimes in Southern Europe. The theoretical affinity between the familial and conservative welfare regimes, however, has also been questioned as Hong Kong remains a ‘residual’ state, with a low level of public spending on both family and non-family social services.

This case of Hong Kong suggests that two characteristics of liberal welfare regimes, residualism and a market-bias, can become two different principles when the family is included into the equation as an institution of social protection. Familialism can be an outcome of residualism rather than conservatism, while a market-based liberal system may need proactive state policy to promote a market for social care. To integrate the axes of decommodification and defamilialisation into a comprehensive welfare regime framework therefore, a differentiation between categories of the ‘residual liberal regime’ and ‘market-based liberal regime’ is required, with the former being characterised by both a low level of decommodification and defamilialisation, while the latter characterised by a high level of defamilialisation despite a low level of decommodification. The interaction between these two axes has important implications, not only for understanding East Asian welfare states, but also for welfare regime typologies generally. Family, considered as a social institution, needs

to be given analytical attention in its interaction with the welfare state and market, so that welfare regime typologies can be applied to a wider range of nations.

The compressed development that characterises East Asia alerts us to the need to consider some methodological issues when applying sociological theory directly to the region. For example, the U-shape curve of female labour participation rates observed by Goldin (1995) is not obvious in East Asia. The forces that closed down labour market opportunities for women in East Asian nations were not experienced during industrialisation, as in the western countries (Goldin: 1995). Conversely, women constituted an important labour supply for export-led industrialisation in Hong Kong, Singapore and Taiwan (Salaff 1992). The closing down of labour market opportunities for women due to economic transition happened during de-industrialisation, but the effect was promptly mitigated by the effect of expansion of public education, new opportunities for women in the service economy and the increase in gender equality in the labour market. The structural forces that promoted women to become full-time home-makers in some western countries during industrialisation, such as the increase in formal, paid employment opportunities for men in manufacturing industries, which often excluded women's participation, and the social stigma that restricted married women to work outside the home (Goldin 1995; 2006), were not given enough time to develop under the compressed development in East Asia. Such difference in development is important not only for its methodological implications for comparative study between Western and East Asian countries, but also its broader historical implications for the understanding of East Asian societies. This is particularly important to the debate on whether there are multiple modernities, with East Asian modernity being a distinctive example (Eisenstadt 2000; Schmidt 2011), or simply a modernity with different varieties (Schmidt 2006). The compressed development of East Asia represents an example of how each East Asian country, on the one hand, adopts its own unique historical route to modernity (Therborn 1995), but on the other hand, have their modernities entangled in a complex network of institutional



arrangements (Therborn 2003), whose characteristics can still be understood in a general theory of welfare regime typologies.

Despite these theoretical and methodological issues, the analysis derived from Esping-Andersen's welfare regime framework provides valuable insight for policymakers in how to deal with the problem of low fertility in the region. Low fertility levels have become a serious concern for governments in several East Asian nations, as the consequences may be a reduction in the working population in the long-term and consequently higher expenditure on social welfare and health that will be paid from a lower tax base as the population ages. Identification of this unsustainable situation has led to a number of policy responses such as the introduction of pro-natal policies in Singapore (Sun 2010) and the introduction of formal population policy in Hong Kong as a comprehensive response (SCPP 2012). Our findings, however, suggest that while governments recognise the problem, their existing responses are not effective as the policies they develop are framed within and reproduce existing familial welfare regime dynamics. Welfare regimes analysis suggests that effective solutions require a more fundamental change that can move beyond the current familialistic institutional arrangements in East Asia. Policy solutions from other non-familial welfare regimes might need to be adopted to address issues of low fertility. More extensive defamilialisation mechanisms, either through welfare state or market provisions, are required. This includes either significantly increasing the coverage of publicly provided childcare or developing a market for low-cost private day-care services through state subsidy to consumers and/or providers.

Another key conclusion of this thesis is that low fertility levels are the result of social changes that existing familial welfare regime mechanisms are unable to cope with. With the expansion of public education and an increase in gender equality in the labour market, Hong Kong has experienced a transformation in female labour market participation, resulting in more women participating in the labour market, and furthermore, participating in the labour market in a

career-oriented mode. With the absence of sufficient defamilialisation measures, this transformation leads to a ‘low-fertility equilibrium’, in which Hong Kong women face an economic trade-off between having a career and a family with children, leading some to delay or even forgo childbirth. As in other familial welfare regimes, intergenerational transfer of time resources remains a useful resource for assisting women in Hong Kong to reconcile work and household responsibilities. This is, however, neither sufficient nor fair to rely on the labour of older people to support an increase in childbirths. Defamilialisation mechanisms have greater potential in increasing both fertility and female labour participation levels, as shown by the positive effect of hiring foreign domestic workers in our findings. Hiring foreign domestic workers, however, is a high cost option. Neither of these mechanisms, therefore, provides a long-term solution to the problem. The reliance on aged parents is unsystematic and unjust in terms of intergenerational relations. The policy aim of long term defamilialisation strategies should be to minimise such burdens, rather than reinforce reliance, on this sphere. The reliance on foreign domestic workers lacks comprehensiveness and is unjust in terms of class relations. The policy aim, therefore, should be to replace the inequitable reliance on foreign domestic workers with either public provision or state-aided development of the market for childcare, which would allow social care to be integrated into the overall economic growth of society.

The implications of this are that policy initiatives that can introduce other more effective defamilialisation mechanisms, either through direct public provision or development of low-cost market alternatives for childcare, will be required for Hong Kong to transition into a ‘high fertility-high employment equilibrium’. The government of Hong Kong will, therefore, need to take a more proactive approach and move beyond a ‘residual’ state. On the other hand, rather than seeing the high level of intergenerational transfers of wealth and labour as the strength of traditional Confucian values (SCPP 2012), it may indeed be a sign of familial bias which requires state intervention, if raising fertility and female labour market participation levels are policy objectives. Policy responses to an ageing population should be a forward-

looking, focusing on proactive policy measures, such as investing in defamilialisation mechanisms, to encourage childbirth and labour market participation of women, rather than the current narrow focus on financial austerity.

There is, furthermore, a class-specific pattern observed for the level of fertility and female labour market participation in Hong Kong. While married women in the highest income group are more likely to participate in the labour market than women in lower income groups, they are less likely to have one or more children at home. This suggests that the transformation in female labour force participation has mainly occurred for women from the upper-middle and middle class. The 'low-fertility equilibrium', therefore, also affects them most, resulting in a lower level of childbirth among women in these socio-economic groups. Will the incomplete transformation in labour market and defamilialisation, that differentiates middle class women from women from lower classes, also become a structural feature of liberal, non-familial welfare regimes? This is a question that can only be addressed by further research.

In sum, this thesis has raised some theoretical issues in applying Esping-Andersen's typology of the familial welfare regime to East Asia. Esping-Andersen's theoretical framework has not paid enough attention to the familialism that results from 'residualism', which is more appropriate to describe the case of Hong Kong. It also suggests that compressed development in East Asian nations may raise some methodological questions for comparative study, especially those relating to the transition from pre-industrial, industrial to post-industrial societies. Despite these issues, welfare regime analysis remains a powerful analytical tool for understanding the effect of familialistic policy. East Asian familial welfare regimes have experienced the same 'low fertility equilibrium' as other familial welfare regimes in Europe. It is an institutional problem that is cross-cultural, and can only be rectified by institutional measures, in particular through active state policy to promote defamilialisation measures. These are useful insights for policymakers in East Asia.

While institutional arrangements, as evidenced by this thesis, constitute a significant factor in causing ‘low-fertility equilibrium’, there are other cultural factors that are unable to be addressed within the welfare regime theoretical framework adopted by this thesis. For example, the highly inequitable gendered division of housework in Hong Kong evidenced in our findings. This may intensify ‘low-fertility equilibrium’; as it makes it more difficult for women to reconcile having a career and a family. To what extent this affects ‘low-fertility equilibrium’ will require further research with a different analytical framework. As would further analysis that attempts to understand institutional welfare state arrangements with normative attitudes towards gender roles.

While the quantitative analysis of this thesis supports the hypothesis of ‘low fertility equilibrium’, further research will be required to understand if the trade-off between career and having children constitute a significant barrier for the women in Hong Kong and if so, how they utilise additional resources, whether market-based or familial support, to cope with this trade-off. In particular, qualitative research method aiming at uncovering the ‘voice’ of women will be most useful in understanding the struggle and creative methods women used in coping with difficulties in real life. These are information that are unable to be obtained by quantitative analysis of existing available data. This is the second limitation of this thesis that can only be complemented by other research methods.

A third limitation of this thesis is the use of Hong Kong to represent the East Asian welfare regime. While the common use of foreign domestic workers makes Hong Kong a good case to examine the concept of ‘liberal-familialism, it also makes it less applicable to other countries in which foreign domestic workers are hired in a much smaller scale, such as South Korea, Taiwan and Japan. These nations may represent a different variety of familialism. This thesis, however, is only an early attempt to investigate East Asian familialism using an integrated framework of welfare regime analysis. This thesis, hopefully, can therefore inspire more research on other East Asian countries based on this theoretical framework.

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